Daily Report

Central Eurasia

FBIS-SOV-92-012
Friday
17 January 1992

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FBIS-SOV-92-012 *17 January 1992*

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CFE Participants Reassured on Arms Treaties

LD1601224392 Moscow TASS International Service in Russian 1135 GMT 16 Jan 92

[By TASS correspondent Vladimir Smelov]

[Excerpt] Vienna, 16 Jan (TASS)—Russia will strictly observe the international obligations of the former Soviet Union in the field of limiting and reducing armaments. It intends to ensure total continuity in approaches to disarmament questions. This was stated by Ambassador Vladimir Shustov, the head of the Russian Federation's delegation at the CFE talks, where a plenary session was held today.

According to the ambassador, the priority objective of the Russian leadership is to ensure that the agreements signed by the USSR, including the treaty on conventional forces in Europe, come into force as soon as possible. Within the framework of the Commonwealth of Independent States, Russia will strive to coordinate the actions of all the independent states in implementing the stipulations of this document that apply to the territory of the former Union, the diplomat stressed. [passage omitted]

The Russian delegation at the Vienna talks informed their partners that a commission of the Russian Federation's Supreme Soviet and other departments concerned with these issues are currently preparing the treaty on conventional armed forces for ratification. Similar work is being done in most other independent states belonging to the community.

Conference on Technology Leaks Welcomed

PM1601153592 Moscow KRASNAYA ZVEZDA in Russian 16 Jan 92 p 3

[Major M. Pogorelyy report: "Nuclear Weapons Still Important Factor in World Policy"]

[Excerpt] [passage omitted] We are not the only ones with nuclear weapons, and that must not be forgotten. British Defense Secretary T. King said, for instance, the day before the parliamentary nuclear debate that his country would be acting "imprudently" were it to reduce its nuclear potential, at least during such an "extremely alarming and threatening period" for the world's largest nuclear power, which is breaking up.

It must be stressed at this point that many people are not averse to speculating on this problem, which is indeed very complex and crucial. Countless statements—as yet, fortunately, without any real foundation—have been heard about nuclear technology being "leaked" to "Third World" countries with unstable regimes or dictatorships.

U.S. experts, unilaterally reacting to these proposals, are suggesting retargeting some of the U.S. strategic nuclear weapons on these countries. Admittedly, I suspect that the list of these countries is decided in an extremely voluntarist manner and states whose leadership is not greatly to Washington's liking may run the risk of ending up on it.

Evidently, the option suggested by German Foreign Minister H.-D. Genscher—that nuclear and nonnuclear states submit a joint initiative on preventing the "leak" of dangerous, including nuclear, technologies—is more promising. This step would be of more practical assistance in reassuring the world community and would promote the stabilization of the international situation.

Disarmament Plans, Proliferation Viewed

PM1701103992 Moscow Russian Television Network in Russian 1200 GMT 15 Jan 92

[From the "Vesti" newscast: Report by A. Sidorov]

[Text] [Sidorov] Mikhail Gorbachev, former CPSU Central Committee General Secretary, announced a program for the complete elimination of nuclear weapons throughout the world. It consisted of three stages: the first in halving nuclear weapons capable of reaching U.S. and USSR territory, abandoning the creation, testing, and deployment of space arms, and scrapping USSR and U.S. intermediate-range missiles in the European zone; the second in scrapping tactical nuclear weapons by all the nuclear powers and ending nuclear weapon tests; and the third in scrapping all remaining nuclear weapons before the year 2000.

In past few years quite a lot has been done: Intermediate- and short-range missiles have been scrapped, our weapons have been withdrawn from Europe, the Treaty on the Limitation and Reduction of Strategic Offensive Arms has been signed, our program for the development of new generation weapons has finally been wound up, both our test ranges have been closed down, and production in four out of the 10 nuclear cities has been stopped. Has the world become a safer place? To a certain extent, yes. But work in the sphere of space weapons goes on, on both the U.S. and our side. Some of these systems have been deployed, while prototypes of others have been developed. Strategic weapons are to be reduced, but on a smaller scale. The problem of the former Union's nuclear button has caused all continents to shudder. The Arab world has already announced a plan to create a nuclear bomb. Syria has plans to produce weapons-grade plutonium at a nuclear station built there by Soviet specialists. The potential of Iraq's nuclear industry, which we also helped to create, remains unknown at present. Using Soviet Scud missiles as a basis, North Korea is secretly developing its own ballistic missile armed with a nuclear warhead. This work could be completed in one-to-two years. In this situation, instead of the destruction of nuclear weapons by the year 2000 we could have several more nuclear powers.

For NATO, CIS Remains Potential Adversary

PM1601131192 Moscow KRASNAYA ZVEZDA in Russian 15 Jan 92 p 3

[Aleksandr Golts commentary under the "Observer's Opinion" general heading: "Whence the Threat Now?"]

[Excerpts] "Whence the Threat to Peace?"—Some of our readers may still remember the beautifully illustrated brochure of that name which was published at the beginning of the 1980's. It was our propagandist counterbalance to the Pentagon's publication "Soviet Military Power." Therefore, the question posed in the title was purely rhetorical. The brochure's entire content could be summed up as saying that the threat to peace and to the Soviet Union emanates from the United States and NATO.

Times have changed. Erstwhile opponents have become partners. The complacent conviction that war does not threaten us has taken hold. But for some reason, the leaders of our fledgling states, in their haste to divide up the Armed Forces, have been slow to ask themselves and others one obvious question: Exactly, which threat do they think they can withstand with the help of nationalized fragments of one of the world's most powerful armies? Unless this question is answered, it is impossible to be precise when defining the "requisite and sufficient" armed forces to guarantee the security of our single strategic area as a whole, as well as its sovereign parts. Let's try to find an answer.

I think that even in the new conditions the military threat has not disappeared. Moreover, as a result of rapid changes, it has acquired additional aspects. One of them resides both in the relations between individual states of the CIS [Commonwealth of Independent States] and in domestic instability, brought about primarily by economic problems. As we know, the period of stagnation coincided with fantastic precision with the period described by Marxists as the decay of the monopolistic society. I am afraid that now, in accordance with the meandering course of our development, we are entering the period of wars in the premonopolistic era.

God knows it is not all that difficult to imagine how, in the worst-case development of events (and it is just such scenarios which should be considered during military planning), economic conflict between republics could develop into other conflicts. Believe me, a reason will be found. We will have our very own "Spanish succession," our own Sarajevo, and our own Alsace. According to information in LE QUOTIDIEN DE PARIS, the West's most authoritative military analysts are talking about the possibility of around 85 conflicts erupting for border and interethnic reasons on former Union territory.

The role allotted to the divided Armed Forces in this context could only be tragic. The rivalry just emerging over the Black Sea Fleet carries within it the seeds of the "Yugoslav version." Politicians have already contrived to give the Army mutually exclusive orders: Already the conditions have been created whereby the military have the opportunity to select which orders to obey and which to ignore. The hottest heads have started to talk about the possibility of civil war.

The only chance of halting this slide toward an abyss is to preserve a unified Army and Navy and to establish common control over them by all CIS member states. The practical path to take would be to create a politico-military union within the framework of the Commonwealth. One thing is indeed obvious now: The potential candidates for this Union are at the moment experiencing the most serious mutual suspicions. Only by creating some kind of collective security structure can state leaders gain a real chance of defining all military activity within the framework of the Commonwealth.

However, the need to preserve joint armed forces is also dictated by the international situation. The disappearance of the USSR as a military superpower has led to the most serious changes in the disposition of forces in the postwar world. The world has ceased to be bipolar, with each superpower, apart from everything else, controlling its own "rogues," as Roosevelt expressed it. And now, authoritarian and sometimes overtly terrorist regimes see a chance to realize their wild ideas. Incidentally, if our armed forces disintegrate and we lose a unified control over arms deliveries abroad, these regimes will have a good chance of supplementing their arsenals. It is no coincidence that the West is alarmed just as much by this prospect as by the fact that Soviet specialists in the development of state-of-the-art armaments could simply end up being bought by countries dreaming about nuclear missile might.

In an unstable atmosphere, CIS states deprived of a unified defense structure could become victims of territorial and other claims by neighboring states. Let us just look at the former Union's southern borders. It is quite feasible that the armed opposition could come to power in Kabul. Moreover, not the so-called moderates, but the extremists. They believe that the Soviet Union should pay compensation amounting to nearly a trillion dollars. It remains merely to guess how they intend to exact this compensation. It is just as difficult to divine how those who, having been deprived of our aid, are now reproaching us for treachery, are going to behave. Let us not forget—many contiguous countries also have rocket and missile weapons....

But security problems do not end here. As a result of the collapse of the Soviet Union, a period of uncertainty set in in international politics as a whole. Even Europe, which had just rid itself of confrontation, did not become a continent of peace. The Yugoslav tragedy showed graphically that totalitarianism is being replaced by aggressive nationalism. It also showed that the existing system of European security is incapable of reacting quickly to such conflicts. Nobody has any guarantee that given the quite possible deterioration of the economic situation something similar may not flare up elsewhere in Eastern Europe.

Moreover, before our very eyes the disposition of forces among the industrially developed states of the West is changing too. Again, in Europe nobody hides their concern over the role which united Germany could play in the future. Many people focused on the fact that the Japanese-American summit meeting was very reminiscent of previous Soviet-American summits with their wariness and hidden hostility. All this indicates just how uncertain the international situation in the upcoming period will be.

In this connection, it is interesting to see how our former opponent—the United States—intends to react to these as yet unspecified threats. It has to be said that the disappearance of confrontation has had an effect on the Pentagon. It plans major cuts. Both of personnel, which will be reduced by 500,000 servicemen. And of the military budget, which will be cut by 50 billion dollars over five years. Specific military programs, like the creation of the B-2 strategic bomber, are being axed.

But in my view, this is not the most important thing. Although production lines at military plants have ground to a halt, work in scientific centers is going ahead at full steam. "As soon as existing arms become obsolete, a range of futuristic technology will have to take its place," says the INTERNATIONAL HERALD TRIBUNE. "Current arsenals will be replaced by so-called 'silver bullets'—a small number of super-modern arms which would guarantee victory over the opponent's superior numbers [sily]."

Changes are also under way in strategic planning. According to THE WASHINGTON POST, the Pentagon is already drafting a report proposing to halve the United States' strategic forces to 5,000. At the same time, the famous integrated operational plan targeting several thousand points on former Union territory is due to be consigned to oblivion. Now, five different scenarios can be elaborated for repulsing a threat from any adversary, using both nuclear and non-nuclear means.

However, if you believe the newspaper, then the nonexistent Soviet Union continues to be seen as a potential adversary. Admittedly, the report proposes "limited nuclear strikes" far from Moscow and other major centers in order to reduce the number of casusalties. Well, thanks a million for that. But as we can see, Pentagon strategies are by no means being emasculated by the rosy-hued tincture of pacifism. Even NATO as a whole believes that the threat to its states' security derives from former Union territory.

The unrest and anarchy gripping former USSR republics present no less of a threat to the West than did the Warsaw Pact, British Foreign Minister D. Hurd declared in an interview to THE SUNDAY EXPRESS. Military groupings and military bases remain (albeit in a reduced quantity) around our sovereign states. These bases by no means serve merely to convey humanitarian aid to us.

Today, it is impossible not to see the consequences of the forcible disintegration of the former USSR's Armed Forces, and the civil wars and chaos in the CIS states could force the West to confront the need to take strong-arm decisions. So, has the threat disappeared?

G-7 To Admit Commonwealth to EBRD

LD1601112892 Moscow TASS in English 0834 GMT 16 Jan 92

[By TASS correspondent Vladimir Solntsev]

[Text] Tokyo January 16 TASS—The members of the Commonwealth of Independent States (CIS) will be granted the membership of the European Bank for Reconstruction and Development (EBRD). Agreement to this effect has been reached by the world's seven leading industrially developed powers, the Japanese newspaper SANKEI SHIMBUN reports today referring to international financial sources.

This agreement is expected to find reflection in the final documents of a regular meeting of the G-7 finance ministers and central bank governors, to open in the United States on January 25.

According to the newspaper, G-7 countries have already agreed to expedite the process of admission of CIS member states to the International Monetary Fund as full members.

The latest accord will make it possible to strengthen still further the mechanism for the rendering of aid to the CIS on the part of major international financial organisations, SANKEI SHIMBUN believes.

CIS Entry Into IMF, World Bank Viewed

PM1501173192 Moscow IZVESTIYA in Russian 15 Jan 92 Morning Edition p 2

[Article by Pavel Golub: "International Financial Community Ready To Help Us"]

[Text] Less than two weeks have elapsed since Russia asked to be admitted to the IMF and the World Bank. It would seem inappropriate to have expected any decisions yet. It would be excessively optimistic to hope for a swift reply. But the reaction from these international organizations was not long in coming.

The leader of the East European department of the World Bank stated on 13 January that Russia, Ukraine, Kazakhstan, Azerbaijan, and the three Baltic states may be admitted to the IMF and the World Bank at the annual meeting of their boards as early as next September. U.S. representatives were even more optimistic, assuring a REUTER correspondent that Russia's admission as a member of these organizations is possible as early as this spring. Moreover, Michel Camdessus, managing director of the IMF, stated that a new department has been created in the fund's structure which will coordinate work with "a number of states which have applied for admission" to this very large international

financial organization, primarily with the states which are former USSR republics. What does that say?

I recall that the now disintegrated Soviet Union is still registered as an associate member of the IMF and World Bank. For full membership which, unlike associate membership, would promise us access to beneficial credits and many other financial boons, we had to fulfill a whole series of conditions. Their main point is to renounce administrative methods in the economy, to reveal economic statistics, and to transfer to a free market.

Practical movement toward the market has already begun in our country. There is a whole series of "market" decrees of the Russian president and the presidents of the other CIS countries. The decentralization of the economy, privatization, and the reform of the taxation system have become reality. As of 2 January free prices were introduced in Russia. A bold step, not to say a desperate, painful step, but, most importantly, a decisive step. It was this decisiveness on the part of the Russian leadership which embarked on measures it knew to be unpopular which could produce real dividends only after a considerable while, possibly only for the next generation of Russian leaders, which prompted the leaders of the world economic community to believe in the future of Russian reforms and not to delay in responding positively to the request for our independent state's admission to the chief international financial organizations.

Russia's desire for integration into the world financial system was obviously conditioned by the fact that without outside financial support it will be very hard for us to get our rusty economic hulk moving. The world financial magnates' readiness not only to extend the olive branch to us as they have done, satisfying the former USSR's request for associate membership of the IMF and World Bank, but also to throw us a veritable lifeline by embarking on the acceleration of the process of the admission of the CIS members to their ranks can only be assessed as approval for the practical steps undertaken by our leaders in transferring the economy to a normal market basis. It remains to be hoped that the process of the integration of the economy of Russia and the other CIS countries into the world financial and economic system will not be restricted to this and that we in turn will be able with benefit to apply for ourselves the advantages which membership of international financial organizations will give us.

'Difficulties' in Paying Debt Interest Aired

LD1401213392 Hamburg DPA in German 1954 GMT 14 Jan 92

[Text] Frankfurt/Main (DPA/VWD)—Growing hard currency problems are making the payment of debt interest more and more difficult for the former Soviet Union. Hence in the immediate future a temporary interruption in payments cannot be ruled out, representatives of the Soviet Bank of Foreign Economic Relations reported to members of the steering committee of Western creditor banks in Frankfurt on 14 January.

The Commonwealth of Independent States [CIS] would however make up all outstanding payments as soon as possible, stressed Tomas Aligbekov, deputy president of the Central Bank of the Russian Federation. The temporary difficulties do not, however, mean a general postponement of interest, according to a statement from the steering committee published on Tuesday evening [14 January].

Aligbekov said that the reason for the present payment difficulties is the transitionary phase in the economy of the states of the former Soviet Union. In order to improve Russia's supply of hard currency, the Russian parliament yesterday obliged all exporters to sell to the Central Bank 40 percent of all the hard currency they receive. This money is intended to satisfy foreign creditors, stabilize the ruble exchange rate, and import vital goods. According to the Russian bank representative, the other CIS members also intend to take responsibility for insuring that sufficient foreign currency gained from exports flows into the foreign currency fund of the Bank of Foreign Economic Relations.

The Russian Central Bank was thus responding to information that the states of the former Soviet Union intend to demand a deferral of interest payments because of an acute lack of foreign currency. This news aroused considerable disquiet in the Western banking world.

According to banking circles in Frankfurt the Russian Central Bank, which is regarded worldwide as a good debtor, has up to present never owed a single dollar in interest to Western creditors. However, a bank spokesman said that confidence in the Soviet economy has perceptibly declined over the past few days. The impression that the economic crisis in the CIS countries is worse than previously assumed is gaining credence, he said.

U.S. Finalizes Relations With 6 CIS Members

LD1601073292 Moscow TASS in English 0657 GMT 16 Jan 92

[By TASS correspondent Aleksandr Korolev]

[Text] Washington January 16 TASS—The United States has completed the process of establishing diplomatic relations with six former Soviet republics who are now members of the Commonwealth of Independent States (CIS)—Russia, Ukraine, Armenia, Belarus, Kazakhstan and Kyrgyzstan.

According to the U.S. Department of State, full diplomatic relations have been established between the U.S. and these CIS countries.

Apart from Bishkek, U.S. embassies are to be inaugurated in the republics' capitals in the course of the 1992 fiscal year ending on October 1. A U.S. embassy will appear in the capital of Kyrgyzstan somewhat later.

CIS Policy Consultations With U.S. Viewed

92UF0439A Moscow NEZAVISIMAYA GAZETA in Russian 3 Jan 92 p 1

[Article by Yuriy Sigov under the rubric "Opinion": "Is James Baker the 'CIS [Commonwealth of Independent States] Minister of Foreign Affairs'?"]

[Text]**Why are the leaders of the states of the former USSR always telephoning America?"**

So the former Union center has finally been broken apart, the president has retired, and the Commonwealth of Independent States [CIS] has been formed on one-sixth (or perhaps less now) of its territory. But the leaders of the new CIS are still attracted to some kind of unified and organizing mechanism, an individual, with whom it would be possible to consult at a difficult moment. And, judging from everything, this "directive and unifying role" is tacitly being assigned by the heads of the independent states to the United States and its secretary of state, James Baker.

Recently the leader of the American foreign policy department completed a tour of five of the former Union republics. But his visit reminded one not so much of the tour of a foreign guest as a unique kind of inspection whose purpose was to become familiar with the situation in the localities and clarify the position of the "center," that is, of Washington. This time the presidents of the independent republics asked J. Baker not for financial aid but for business advice and they discussed with him confidentially how they intend to conduct their reforms.

Of course, Baker (and the United States as represented by him) has his interests in the former USSR—the Americans are bothered not only by the control over nuclear weapons, of which we have accumulated more than enough, but also by the probability of economic and political chaos in the present CIS.

For the United States the independent state formation in the place of the former USSR is not simply a new abbreviation but a potential market, in which American business is placing more and more of its hopes. Although the strategic balance in the lengthy competition between the two superpowers has now tipped in favor of America, they are in no hurry to seriously disturb the existing status quo since this would inevitably lead to destabilization throughout the world.

Seeing this kind of interest on the part of the Americans, the leaders of the republics of the present CIS are trying to take advantage of the services of a stable and well-off (true, somewhat stingy as compared to Germany) partner. They are directly inviting this same James Baker to commit an act which used to be punishable under the law in our country—"to intervene" in our internal affairs and teach the independent governments how they should act in the area of human rights, how they should conduct trade, and with whom they should cooperate.

As soon as the leaders of our sovereign republics decide to take any important step in the sphere of economics or politics, they immediately call the "center"—not Moscow but Washington. They notify, warn, and inform the American administration about their intentions and seek advice. Recently J. Baker has become an unofficial minister of foreign affairs for the countries of the Commonwealth coordinating the foreign political activity of these states which have just become independent.

But why are the heads of the republics of the former USSR so actively consulting with America and striving to show their loyalty to the Washington administration? Probably mainly because the national interests of Russia, Ukraine, Kazakhstan, and other CIS members have now become more closely linked than ever before to the national interests of the United States. And the United States has more of an opportunity than ever before to influence the course of events taking place in the former USSR.

Our current presidents, prime ministers, and parliamentarians would do well to heed the advice from across the ocean (if it is indeed business advice). The former "evil empire" is wished no evil today either in Europe or in Japan or in America. They simply want to help us, and it would be stupid to refuse this help.

Kalugin on KGB Interrogation of U.S. POWs

LD1601230792 Moscow Radio Rossii Network in Russian 1420 GMT 13 Jan 92

[Remarks by retired General Oleg Kalugin to correspondent Andrey Alakhverdov; place and date not given—recorded. Herewith follows fullest version of item published in the 14 January Central Eurasia DAILY REPORT, page 3, column two, under the headline "Kalugin on KGB 'Access' to POWs in Vietnam"]

[Text] [Alakhverdov] A few days ago, almost the entire world was stirred by General Kalugin's statement that during the 1970's KGB bodies interrogated U.S. prisoners of war in Vietnam and by his remarks concerning whether there could still be American prisoners in our country. Several television companies broadcast interviews with the retired Chekist, but only reports of the former general's words reached his homeland. I agree that live appearances are not always necessary, but sometimes issues are so important that they cause official reaction from governments. Here, too, the governments and official organizations of several countries, including Russia, reacted to Kalugin's words. The problem itself is, generally speaking, an unexpected one and ought to be investigated, especially if one bears in mind that Oleg Kalugin hides from no one and willingly replies to journalists' questions. Therefore, I asked him

to voice his point of view without intermediaries. He immediately and courteously agreed.

[Kalugin] In the second half of last year, quite unexpectedly, there was talk to the effect that hundreds or thousands of American POWs were allegedly in Vietnam, and even in the Soviet Union. The Western, expecially American, press contacted me, and asked me whether this was true. I said it was complete nonsense. There are not any American prisoners of war from Vietnam in the Soviet Union. As far as Vietnam is concerned, I cannot speak for the Vietnamese, but I think there is no reason why POWs would be held there until now.

Just before the New Year, a U.S. journalist again asked me this question. Once again I repeated what I had said earlier: In the 1970's KGB officials subordinate to me used to go to Hanoi to interrogate captured U.S. servicemen. The first time, around 1973 or 1974, the Vietnamese did not give us access to those Americans. Our relations at that time were not that good. We did not get any sensible information then. It seemed as though that was the end of that. However, several years later, during a second visit by Colonel Oleg Nichiporenko, one of my officials, we did get access to the Americans. On that occasion several people were interrogated from a selection offered by the Vietnamese.

[Alakhverdov] Approximately how many?

[Kalugin] I recall three people. I even asked Nichiporenko, because this all happened quite a long time ago and I can not remember the exact year. I said either 1976 or 1978. I later corrected this to 1978, because that year an official agreement was signed on cooperation between the Vietnamese Ministry of Internal Affairs and the Soviet KGB. Naturally, they granted us the opportunity to acquaint ourselves with everything they had. I took 1978 as the year in which this was formally possible.

My statement for some reason led to an unexpected explosion of interest in America. People telephoned from the U.S. Senate. They asked me to speak at congressional hearings. I am flying to the United States for completely different reasons, but I will be met at the airport by representatives from the U.S. Congress. They want to qustion me about this. I cannot tell them anything new. The problem seems to be caused by differences regarding the year in which the second meeting took place. I asserted it was somewhere around 1978, although I do not make that claim that with 100 percent certainty. That is why I said to ask Oleg Nichiporenko. He will remember precisely.

This matter is of interest from the humanitarian point of view. It does not impinge on professional honor or any ideological or political considerations. These are people who have disappeared without a trace, whose relatives still nurture to this day some sort of hope that perhaps they are still alive and living somewhere. In the same way, some of our mothers and wives did not see their sons and husbands return from Afghanistan. Today a colossal campaign is under way to find these people.

No one from the KGB committed any crime here. It was the "cold war." We interrogated them or cross-examined them, what you will, without using any prejudicial means. We merely tried to persuade them, so to speak, to cooperate with us and talk to us. It has already been admitted officially by KGB intelligence that one American from the CIA was interrogated. Nichiporenko has admitted today on American television that he did indeed interrogate one American. This was allegedly in 1973 or 1974. In actual fact, he did not interrogate anyone then, because the Vietnamese did not give us access to those people. They gave us access at a much later stage, which is what I have asserted and assert now. This whole episode ended by 1978.

As far as I know, the Americans who were captured in Vietnam returned home. As far as I know, although the Vietnamese know better, no one is left there. It is another matter that the Vietnamese are now denying the very fact that there was any contact. This is stupid, because the Soviet side has already admitted officially that there was a one-time contact. Ultimately, the most important thing is that people in the United States know that there have been no American prisoners of war in the Soviet Union. As far as there being POWs in Vietnam is concerned, I assumed that they had all left by 1978.

[Alakhverdov] The 20,000 POWs, which is the figure determined by the U.S. Senate, includes not just prisoners taken after the war in Vietnam, Korea, Laos, and other places, but also a proportion of the Americans who fell into the hands of our authorities during the occupation of Germany. Could these people still be in our country?

[Kalugin] You mean Americans?

[Alakhverdov] Yes.

[Kalugin] I think not. I just do not see any point in keeping foreign citizens on USSR territory now. This may have happened in Stalinist times—yes—but today there are no political or practical reasons. On the contrary, if any American was being held in our country against his will, this would have become public knowledge a long time ago. I do not think we could keep a single secret in this country with regard to our own affairs. As for foreign citizens, I am convinced that it would have come out long ago, both here in the Union and in the eyes of the whole world.

[Alakhverdov] The thing is, we have the example of Alsatians and Lorrainers who ended up in our camps as POWs during the war. They were in our camps for a very long time, and a very large proportion of them, well, disappeared. Could such a thing have happened with the Americans?

[Kalugin] I think not. I think this would be impossible today. I take responsibility for asserting that to hold any

foreign citizens against their will and without trial would be impossible in our state today. It may have been possible a few years ago, let's say several decades ago. It was then the norm to hold our own citizens and other countries' citizens against their will. Today I am wholeheartedly of the view that this is impossible.

I am also thinking of something else. Do not forget our former Brezhnevite leadership. For all its senility, it was very cautious in its relations with the Americans. We did a lot then to preserve and improve our relations with the Americans. For the Soviet leadership, the problem of peaceful coexistence was not just a matter of declarations. It was a desire to improve relations, to win economic advantages from this, to take the heat out of the "cold war", and thus to reduce the costs of the "cold war". That was the point. Good heavens, quite honestly I have very great doubts about Americans being held even at that time, very great doubts. I simply rule out such a possibility after 1984.

[Alakhverdov] The following category, which can also be called prisoners, has also been cited. There is the example of a spy plane being shot down over the border or inside our territory. Could such people have ended up in our camps?

[Kalugin] Well, if they did end up there—like Powers, you will remember—they have long since been released. They were all exchanged and released. All the spy planes shot down over Soviet territory are known—every single one. The whole world knows about the people who died or were captured. There is nothing to hide.

[Alakhverdov] From everything you have said, one can conclude that the 20,000 people about whom the U.S. Congress is requesting information represent a figure that does not actually exist.

[Kalugin] This is absolutely right. I think that this is quite unrealistic. In my view, it is simply ludicrous to make claims on this count.

[Alakhverdov] As far as I can see, the complaints are that we do not acknowledge this fact and are not trying to open up the archives.

[Kalugin] I think we do not have archives or facts of this sort. Why did I recall the episode in which I and the KGB intelligence service were involved? Because the episode really did take place. However, it was long after the end of the Vietnam war.

[Alakhverdov] What about this: Some people from our side also took part in the Vietnam war and the Korean war. Could they have ended up in the United States?

[Kalugin] If they did, it was only because they wanted to. No one is going to hold any person in America against his will. America is the very country where that cannot happen.

[Alakhverdov] So there is not problem of our POWs there?

[Kalugin] That is absolutely impossible. I can rule that out.

Commentary on Future Mideast Talks in Moscow

LD1601163992 Moscow Radio Moscow World Service in English 1310 GMT 16 Jan 92

[Aleksandr Pogodin commentary]

[Text] There are specific differences in talks between Israel and its Arab counterparts—Syria, Lebanon, Jordan, and Palestine—but the interpretation of the land for peace formula appears to dominate the agenda. The Arabs insist on Israel withdrawing from the occupied land as a condition for recognizing Israel and signing a peace agreement with that country. Israel rejects this, saying it will settle for nothing short of peace for peace, which means it will stay put in the annexed lands. It has continued to build new Jewish settlements there as part of its resettlement plan for the occupied territories.

Despite continued reassurances on both sides about a desire to seek a negotiated solution to their differences, there is no sign as yet of any semblance of understanding. Nor did U.S. diplomatic efforts help reverse the situation, as can be inferred from yesterday's meeting between Mr. Baker and leaders of the four delegations to the Middle East peace talks.

Hopes now seem to be linked with multilateral regional peace talks due to open in Moscow on 28 January and invitations have been sent out accordingly on behalf of the United States and Russia, acting as cochairmen of the negotiations.

The agenda of talks in Moscow is expected to focus on larger political and economic issues in the Middle East. If outline agreement is reached on those issues, say the organizers of the forum in Moscow, this will help create a better political environment for a further Arab-Israeli dialogue and give an impetus for narrowing down differences between the sides in the conflict.

Commonwealth

Conference of Heads of Member States Begins

Yeltsin Elected To Chair

LD1601144892 Moscow TASS International Service in Russian 1355 GMT 16 Jan 92

[By TASS correspondent Gennadiy Talalayev]

[Excerpt] Moscow, 16 Jan (TASS)—A conference of heads of CIS [Commonwealth of Independent States] member states began here today inside a private residence in the southwest part of the city.

Out of 11 heads of state, seven took part in the opening of the conference. So far, the presidents of Ukraine and Kyrgyzstan are delaying their arrival. Uzbekistan leader Islam Karimov has not arrived for the meeting because of flooding in Karakalpakiya. Moldova's President Mircea Snegur has not come due to illness.

Russian President Boris Yeltsin was elected to chair the conference. He proposed a 10 point agenda.

Among them are questions on the reform and status of the Armed Forces of the former USSR; on the military oath; on social protection; the civil and political status of servicemen on the territory of the Commonwealth; financing of the Armed Forces and the principles and procedure for fulfilling the CIS treaty. It also is proposed to consider the question of coordinating the economic activity of CIS member states.

Right now conference participants have started discussing the agenda. [passage omitted]

Conference Agenda Revealed

OW1601164692 Moscow INTERFAX in English 1515 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] President Boris Yeltsin, who chairs a working conference of the heads of the state of the Commonwealth, has revealed the agenda. It contains the following questions:

1. On the reform and status of the Armed Forces of the former Union.

2. On the oath of allegiance.

3. On the social protection and civil and political status of servicemen in the member-countries of the Commonwealth.

4. On financing the Armed Forces.

5. On the emblems of the Navy.

6. On the principles and implementation of the treaty to reduce strategic offensive areas.

7. On the principles and implementation of the treaty to reduce conventional armed forces in Europe.

8. On the elimination of chemical weapons.

9. On the coordination of economic activities.

10. On the provisional status of the work group to make technical preparations for and holding the conference of the heads of state and government of the Commonwealth.

President Nursultan Nazarbayev has said in an interview before the opening of the conference he hopes that some results of the liberalization of prices would be summed up. He deplored the lack of coordination in implementing that policy.

"Each republic has begun to act on its own and been putting up barriers in the way of the traffic of goods and establishing various quotas and licences," Nazarbayev said. He said that he would like to lift all obstacles to that kind between Kazakhstan and Russia.

Military Focussed Upon

LD1601194392 Moscow TASS in English 1731 GMT 16 Jan 92

[By TASS correspondent Gennadiy Talalayev]

[Text] Moscow January 16 TASS—The presidents of Ukraine and Kyrgyzstan joined other heads of state of the Commonwealth who resumed their work in Moscow on Thursday [16 January].

A 14-item agenda was worked out for the meeting. The question of partial non-observance of the Commonwealth Minsk and Alma-Ata agreements was included in the agenda at the proposal of Kazakh President Nursultan Nazarbayev.

Military problems are in the focus of discussion, according to the Russian and the Ukrainian presidents.

Meeting Ends; Results Cited

LD1601220192 Moscow TASS International Service in Russian 2101 GMT 16 Jan 92

[Text] Moscow, 16 Jan (TASS)—The meeting of the heads of participating CIS [Commonwealth of Independent States] ended this evening. Its participants decided not to hold a news conference. The Russian President Boris Yeltsin, however, who was chairman, told journalists: "Today we agreed calmly and with mutual understanding on all those issues that we had intended to resolve." As regards military issues, then, since the state leaders had not had time beforehand to acquaint themselves with the documents prepared in this regard, it was decided to postpone this subject until the beginning of February. However, a joint statement on military issues was signed, he added. Pavel Voshchanov, the Russian president's press secretary, told journalists that the meeting participants signed seven documents. The oath for servicemen in the strategic forces has been approved,

and the seven states which have adopted a decision on creating a single armed forces approved a common oath. A commission has been formed on the Black Sea Fleet made up of representatives from Russia, Ukraine, and the military command. A similiar decision was adopted on the Caspian flotilla. Representatives of Russia, Azerbaijan, and the Armed Forces will be on this commission.

With regard to a series of economic problems, Pavel Voshchanov continued, an agreement has been signed in accordance with which the maximum limit of profitability is set at 50 percent in order to restrain, as unwarranted, a growth in prices under monopoly conditions by producers. It was decided to instruct the heads of government to prepare for examination the question of free transit and abolishing quotas and limits for certain types of products. "On the whole, the meeting can be considered successful", the Russian president's press secretary stressed.

Taking part in the meeting were the leaders of eight states. For various reasons, the presidents of Moldova, Turkmenistan, and Uzbekistan were unable to attend the meeting; however, delegations from these states did take part in the work of the meeting.

Armed Forces Statement

LD1701074992 Moscow TASS International Service in Russian 0345 GMT 17 Jan 92

[By unidentified TASS correspondent]

[Text] Moscow, 17 Jan (TASS)—The participants in the meeting of the heads of the CIS [Commonwealth of Independent States] member states have adopted a statement. In particular, the heads of independent states express their readiness in the near future "to adopt at an international level an agreement on the status of Armed Forces on the territories of the member states of the Commonwealth and by means of the national legislation to provide all political, social, economic, and personal rights and liberties to servicemen and members of their families in accordance with the norms of international law." It is planned to elaborate and adopt special programs for tackling housing issues and to make pension provision for servicemen through a coordinated procedure.

Issues relating to the reduction and redeployment of troops will be tackled only on a legal basis.

The statement stresses that the CIS member states "will take better care of the military personnel of the Armed Forces and will provide the utmost help and support in solving the social and everyday issues facing servicemen and members of their families".

Several Protocols Adopted

LD1701072592 Moscow TASS in English 0648 GMT 17 Jan 92

[Text] Moscow January 17 TASS—Leaders of the Commonwealth states adopted several protocols on Thursday [16 January], including a protocol approving a temporary statute of the working group for organisational and technical preparation of sessions of the Council of Heads of Commonwealth State and the Council of Heads of Commonwealth Government.

Another document appoints Ivan Korotchen coordinator of the working group.

The Commonwealth prime ministers will draw up an agreement to cancel issuing licences and determining quotas for material and technological supplies within the Commonwealth. The agreement will also lift restrictions on cargo transit through the territory of the Commonwealth states, including additional transit fares for export-import cargoes.

The Commonwealth leaders agreed to set up a special body within a week to discuss the programme of reform, status and financing of the Armed Forces of the former Soviet Union, social protection, and civil and political status of service people and their families.

They instructed the Commonwealth foreign ministers to discuss issues connected with the ratification of the U.S.-Soviet START Treaty.

Protocol on Profitability

LD1701151692 Moscow TASS in English 1124 GMT 17 Jan 92

[Text] Moscow January 17 TASS—Protocol of the Meeting of the Heads of State of the CIS [Commonwealth of Independent States]

The heads of state of the Commonwealth of Independent States have resolved:

1. To instruct the heads of government of the Commonwealth states to ensure differentiated approach towards profitability levels within a limit of 50 per cent.

Executed in Moscow on January 16, 1992 in one authentic copy in Russian. The original copy shall be kept in the archive of the Government of the Republic of Belarus, which will send its certified copy to the states that signed this protocol.

[Signed]
For the Republic of Azerbaijan
A. Mutalibov
For the Republic of Belarus
S. Shushkevich
For the Republic of Kyrgyzstan
A. Akayev
For Russian Federation
B. Yeltsin
For the Republic of Armenia
L. Ter-Petrosyan
For the Republic of Kazakhstan
N. Nazarbayev
For the Republic of Tajikistan
R. Nabiyev
For Ukraine
L. Kravchuk

Naval Symbol Agreed

LD1701054292 Moscow TASS International Service in Russian 0342 GMT 17 Jan 92

[By unidentified TASS correspondent]

[Excerpt] Moscow, 17 Jan (TASS)—[passage omitted] The working meeting deemed it expedient to replace naval symbols. From now on, the historic ensign of the Imperial Russian Navy is being introduced as the main naval flag (ensign).

The document adopted by the participants in the meeting confirms that the Navy of the former USSR is part of the strategic forces of the Commonwealth, with the exception of a share of the forces of the Black Sea Fleet, which will be part of the armed forces of Ukraine. When handing over to the CIS member states a proportion of ships and vessels of the Navy of the former USSR, naval flags of the relevant states will be raised on them in place of the ensign of the Imperial Russian Navy.

The president of the Russian Federation has approved the statute on naval symbols by his decree.

Quotas, Prices Discussed

OW1701121792 Moscow INTERFAX in English 1700 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] A Thursday [16 January] sitting of the leaders of the Commonwealth countries in Moscow decided to give up the licensing of, and quota-setting for, all commodities, save for foodstuffs, when they cross borders of the Commonwealth member countries. According to IF [INTERFAX] it was decided in principle to renounce exacting payment for industrial goods crossing borders in transit to other countries.

These two issues and the question of harmonized actions on price liberalization were included on the conference's agenda at the suggestion of Kazah President Nursultan Nazarbayev. Question three is being discussed.

The first two decisions will not take effect until after and if Ukraine's President Leonid Kravchuk and Kyrghyzstan's Askar Akayev, both of whom just arrived at the conference, have endorsed them.

Moldova's Mircea Snegur did not come to Moscow for reasons of health. Uzbek President Islam Karimov, who is attending to disaster relief after a flood in Karakalpakia, a republic within Uzbekistan, did not arrive either.

Strategic Forces Oath

LD1701103192 Moscow TASS International Service in Russian 0807 GMT 17 Jan 92

["Agreement on Military Oath for Strategic Forces"—TASS headline]

[Text] [no dateline as received] **The Agreement of the Member States of the Commonwealth of Independent States on the Military Oath in the Strategic Forces**

The member states of the Commonwealth of Independent States, proceeding from the need to create a legal, moral, and political basis for military service by citizens of the Commonwealth member states in the Armed Forces, have agreed on the following:

One. To endorse for servicemen serving in the strategic forces the following text for the military oath:

"I (surname, first name, patronymic), as I begin my military service, swear allegiance to the people of (name of the state of which the serviceman is a citizen) and swear to fulfill my sacred duty toward the constitution and laws of my state and of the state of the Commonwealth on whose territory I perform my military duty.

I undertake unquestioningly to comply with the obligations laid upon me, with military rules and the orders of commanders and leaders.

If I violate this military oath, I am prepared to accept the responsibility established by law."

Two. The commander in chief of the Armed Forces of the Commonwealth is to determine the procedure and timescale for the swearing in servicemen serving in the strategic forces.

Three. The agreement comes into force from the moment it is signed.

Carried out in Moscow on 16 January 1992 in a single copy and in the state languages of the member states of the Commonwealth of Independent States.

The original is to be kept in the archive of the Government of the Republic of Belarus, which is to send certified copies of this agreement to the member states.

[signed] For the Azerbaijan Republic, A. Mutalibov
For the Republic of Armenia, L. Ter-Petrosyan
For the Republic of Belarus, S. Shushkevich
For the Republic of Kazakhstan, N. Nazarbayev
For the Republic of Kyrgyzstan, A. Akayev
For the Russian Federation, B. Yeltsin
For the Republic of Tajikistan, R. Nabiyev
For the Ukraine, L. Kravchuk.

General Purpose Forces' Oath

LD1701120692 Moscow TASS International Service in Russian 0830 GMT 17 Jan 92

["Agreement on Military Oath for General Purpose Forces"—TASS headline]

[Text] [no dateline received] **The Agreement on the Military Oath in the General Purpose Forces**

The states party to this agreement, proceding from the need to create a legal, moral, and political basis for military service by citizens of the states party to this agreement in the Armed Forces, have agreed on the following:

One. To endorse for servicemen serving in the general purpose forces the following text for the military oath:

"I (surname, first name, patronymic), as I begin my military service, swear allegiance to the people of (name of the state of which the serviceman is a citizen) and swear to fulfill my sacred duty toward the constitution and laws of my state and of the state of the Commonwealth on whose territory I perform my military duty.

I undertake unquestioningly to comply with the obligations laid upon me, with military rules and the orders of commanders and leaders.

If I violate this military oath, I am prepared to accept the responsibility established by law."

Two. The commander in chief of the Armed Forces of the Commonwealth is to determine the procedure and timescale for swearing in servicemen serving in the general purpose forces.

Three. The agreement comes into force from the moment it is signed.

Carried out in Moscow on 16 January, 1992 in a single copy and in the state languages of the states party to this agreement.

The original is to be kept in the archive of the government of the Republic of Belarus, which is to send certified copies of this agreement to the member states.

[signed] For the Republic of Armenia, L. Ter-Petrosyan
For the Republic of Kazakhstan, N. Nazarbayev
For the Republic of Kyrgyzstan, A. Akayev
For the Russian Federation, B. Yeltsin
For the Republic of Tajikistan, R. Nabiyev

Central Asia

Overthrow of Muslim Leader Denied Again

LD1601204392 Moscow TASS International Service in Russian 1115 GMT 16 Jan 92

[By UZTAG-TASS correspondent Vladimir Pruger]

[Text] Tashkent, 16 Jan (TASS)—Uzbekistan's newspapers today carry a denial of an item in KOMSOMOLSKAYA PRAVDA on 10 January on the overthrow of Mufti Mukhammd-Yusuf Mukhammad Sadyk, the current head of the Muslims of Central Asia. The denial was conveyed to the media by the spiritual administration of the region's Muslims. This is the second time in the last two years that KOMSOMOLSKAYA PRAVDA has published entirely unconfirmed information on the "retirement" of the mufti.

The document says that "the mufti continues to work in his job." Moreover, in connection with his election as a member of the constitutional assembly of the World Islamic League, he is to take part in the work of the organization's majlis in Mecca in the next few days, stresses the denial.

Military

All-Army Officers' Assembly Held in Kremlin

Proceedings Observed

LD1701084892

[Editorial Report] Moscow Mayak Radio Network in Russian at 0800 GMT on 17 January carries a live relay of the proceedings of the Army Officers' Assembly in the Kremlin Palace of Congresses.

After Presidium members, including Yeltsin and Nazarbayev, are seated, Marshal Shaposhnikov, who chairs the session, welcomes the attendees: "Esteemed comrades. Five thousand and two people have been invited to our Army-wide conference of representatives of officers' assemblies of the Armed Forces. Five thousand have arrived. Boris Nikolayevich Yeltsin, president of the Russian Federation, Nursultan Abishevich Nazarbayev, president of Kazakhstan, and representatives of other states are taking part in the conference's work. We have every reason to declare our assembly open." Shaposhnikov continues: "Before announcing the agenda and beginning our work, I ask you to honor the memory of servicemen, officers, ensigns, sergeants and other ranks who have perished in interethnic conflicts." After a short silence, Shaposhnikov says: "Please be seated."

A voice from the hall asks: "Please switch on microphone one, it's to do with the agenda." Shaposhnikov then declares: "Comrades, the agenda hasn't been announced yet, so please calm down. According to an agreement reached by the working presidium, the assembly will be chaired by Nikolay Sergeyevich Stolyarov, assistant to the minister of defense for work with personnel. He will now announce the agenda and everything else."

Stolyarov then assumes the chair and announces the following agenda for the meeting:

1. On the situation in and prospects for the organizational development of the Armed Forces and on the

social and legal status of servicemen in connection with the creation of the Commonwealth;

2. On the elections of the working bodies of the Army-wide officers' assembly.

At 0825 GMT, Kazakhstan President Nazarbayev begins to speak, concluding his remarks at 0839 GMT.

At 0830 GMT, Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian begins a live relay of the proceedings in the Palace of Congresses. The Moscow Mayak Radio Network in Russian relay continues.

Following the speech by Kazakh President Nazarbayev, delegates begin a discussion of the agenda for the meeting, focusing on the question of whether the presidents of the republics should be invited or required to attend. Captain Povorotov, who identifies himself as captain second rank of the Black Sea Fleet, says: "Three presidents—Comrades Yeltsin, Kravchuk, and Shushkevich—were able in the course of one day to abrogate the referendum of 17 March 1991. [applause] Thank you. I shall repeat: They found it possible in the course of one day to eliminate the Union of Soviet Socialist republics thus abrogating the 17 March referendum of the people who voted by an absolute majority to preserve the Union." He goes on to urge that all the presidents should attend the assembly.

Other speakers continue to discuss the question of the presidents' attendance; one delegate calls for Gorbachev's presence, too, saying that he resigned without taking his leave of the Armed Forces.

At 0909 GMT, Stolyarov announces a 30 minute interval to permit further discussion of the agenda. At 0910 GMT the relay ends. Live relay resumes at 0946 GMT.

Nikolay Stolyarov, who is still in the chair, says that a compromise was reached during the interval: Shaposhnikov will speak first, followed by Yeltsin. A coordinating council for the conference will then be elected.

At 0950 GMT Shaposhnikov begins to speak. Afterwards, a Captain Anfilov demands an assessment of the Minsk agreement; Shaposhnikov interrupts him, saying the Army has been depoliticized. Stolyarov says Yektsin has left the hall on other business but will return to address the meeting later.

The debate continues; a Baltic Fleet colonel calls for the expulsion from the hall of two naval officers; a vote is taken, supporting their removal; one of them refuses to leave, despite being urged to do so by Stolyarov and others.

At 1031 GMT the relay ends abruptly. Live relay resumes at 1046 GMT.

As the relay resumes, an unidentified delegate is addressing the assembly; he proposes that a coordinating council for the conference should be established. Chairman Stolyarov agrees, and invites delegates to speak.

Andrey Podzorov, a junior officer from the strategic missile forces, criticizes the haste of certain, unnamed, republican leaders over complex military problems. He voices concern about the standard of technical maintenance of equipment, and calls for social protection of servicemen.

At 1058 GMT, Igor Kasatonov, commander of the Black Sea Fleet, comes to the rostrum to speak; he concludes at 1110 GMT.

At 1111 GMT, delegate (Begbasinov) describes the Army as the only organization capable of saving society from bloodshed. He urges a common defense space.

At 1118 GMT Colonel General Patrekeyev, commander of the Transcaucasian Military District, takes the floor. He wonders where the ill-considered actions of certain unnamed state figures will take the Army. He criticizes the division of the Armed Forces along ethnic lines and attempts by some republics to take over troops on their territory. The Armed Forces must not be squandered. Blood is already being shed in the Transcaucasus: 73 of his men have died since December 1988, and 710 have been wounded. He urges improved social conditions for servicemen and praises the endurance of his men. He complains that not just republics, but even autonomous formations, such as Nakhichevan, are demanding loyalty from the Armed Forces. He fears that anarchy may take over under the guise of democracy.

Patrekeyev declares that the military oath is a painful issue for servicemen: having sworn one oath, they must not be forced to choose again. Patrekeyev goes on to express support for the Black Sea Fleet's stand over the oath. He calls for his district to be put under Russian jurisdiction. He calls on the Commonwealth leaders to hammer out a single, considered policy on the future of the Armed Forces. He gives an assurance that his men will continue to carry out their duties.

At 1134 GMT, delegate Nikolay Butenko complains at the absence of the Ukrainian president. He says the officers are there to insist upon their rights. He states that only united armed forces under a single command can guarantee security properly, as the Gulf war showed. Ukraine must realize that it will run out of spare parts for its aircraft if it cuts itself off from Russia. Butenko, who serves in western Georgia, says his men are in the firing line and complains that few people are bothered about their plight. He asks for his troops to be taken under Russian jurisdiction.

At 1145 GMT, the floor given to Kirill, metropolitan of Smolensk and Kaliningrad. He says that, as a representative of the church, he is concerned by the moral consequences of what is happening to and in the Army. Criticism of the Army must be fair. He laments the living conditions of members of the Baltic Fleet. He criticizes

attempts to divide up the Army. The peoples of the old Union have common ties much older than the Soviet state, which must not be ignored. A policy of radical sovereignty entails a great risk of moral damage. He closes with a blessing. Kirill is given a standing ovation.

At 1205 GMT, Stolyarov offers the floor to Colonel Ivan (Gorkushev), who outlines proposals on procedural matters concerning the conference for delegates to consider during the lunch break and lists the membership of the coordinating council. Nazarbayev is observed to leave the presidium during this speech.

Stolyarov then announces that the conference will resume at 1400 GMT.

At 1217 GMT the live relay ends. The Moscow Teleradiokompaniya Ostankino Television announcer says that the relay will resume at 1400 GMT.

Nazarbayev Addresses Assembly

LD1701105592 Moscow Mayak Radio Network in Russian 0825 GMT 17 Jan 92

[Speech by Kazakh President Nursultan Nazarbayev at the Army Officers' Assembly in the Kremlin Palace of Congresses in Moscow—live]

[Text] We have agreed that Boris Nikolayevich, in his speech, will describe in general the work of yesterday's session of the CIS [Commonwealth of Independent States] heads of state. Indeed, we had consultations yesterday, and the heads of state delegated us, Boris Nicolayevich and I, to take part in this conference. All the questions put forward on military issues have been postponed, for various reasons, until the next session on 14 February so that they may be examined and elaborated further. They are not yet endorsed, as the CIS heads of states, naturally, each have their own view now; and so I proposed on behalf of Kazakhstan that a statement be adopted. This was done, and I was instructed to read it out to you. Prior to reading it out however, I wish to express a brief opinion of my own.

Esteemed comrades, all of us, civilians and servicemen alike, are together facing colossal problems, and the Army, society, and the whole of our fatherland are currently plunged in the abyss of these problems. There currently are two problems that stand out in greatest relief to this knot of contradictions. The first is that the liberalization of prices clearly has put the spotlight on all of the deficiencies in our economy. These deficiencies are nothing new, and came into being prior to liberalization, but the liberalization of prices has placed entire social groups, servicemen included, in a serious situation.

The second problem is that attempts to transform the former Union into a new Commonwealth create a whole range of contradictions. The most serious of them is the situation of the Army and the problems of the CIS Armed Forces. As a result, the Army, whose task it is to defend us, itself now has an acute need to be defended. If we really want to develop our Commonwealth, if we have not finally lost our instinct to self-preservation, do we really have to liquidate the very force that will—even if minimally—ensure the security of our Commonwealth? This is my own view. [applause]

Of course, each state may set up an army of its own; all this is currently being done in independent states. Thus, the Army may be split up along ethnic divisions. However, what qualities will we lose in that case? We will then deprive ourselves of all the advantages of the Commonwealth's geostrategic position, of sea routes to the world community, of an enormous market situated on a sixth of the world landmass, of the Eurasian location, and so forth. No one in the world currently has such advantages. I do not believe that our contemporaries, to say nothing of our descendants, could call such actions farsighted. [applause]

As for us, we see that the first, even the smallest attempts to violate what was once a unified military and strategic space causing dangerous breaches, producing zones of internal tension and confrontation. Moreover, hundreds of thousands of people are thrown into the abyss of these dramatic events. This is not in any way meant to camouflage an appeal to preserve what remains of the empire. What is implied here is the idea that structures which have become obsolete must be dismantled, step by step. I would liken this tightrope policy to the work of the mine layer, who has to render harmless the mines laid during a war that is long past. Under no circumstances can we allow the rusty mines to go off, under the guise of a dream of strongarm policies, dictatorship; we must not allow the first, tender shoots of democratic gains to perish in the crater of such a social and political explosion. It is precisely the adherence to democratic values, the reliance upon sober mindedness and common sense, that prompts me to come out against chaos and disorder in the process of transformation of our Armed Forces into a new quality. [applause]

The main idea I wish to air is the idea of coordinated actions on the part of the CIS member states in the area of social, economic, and legal protection of those people who linked their fate with the Army. Kazakhstan has prepared on this score a draft statement of the CIS heads of state, and submitted this initiative to yesterday's session, where it was met with support. I did this following my meeting with all the officers and commanders of all the units on Kazakhstan's territory. [applause]

In conclusion, at the instruction of the CIS heads of states, I wish to familiarize you with the text of the joint statement. Here is the statement of the heads of CIS member states.

The heads of the independent states, guided by the interests of ensuring the security of all the states of the Commonwealth and the social protection of servicemen and the members of their families; understanding the

position of servicemen to be true to their military oath; recognizing the need to work out mutually acceptable decisions during the process of reforming the Armed Forces; with the aim of preserving and strengthening the defense capability of the Commonwealth member states; declare their readiness in the nearest future:

—to adopt at an interstate level an agreement on the status of the Armed Forces on the territories of the Commonwealth member states;

—to ensure, through national legislation, all political, socioeconomic, and personal rights and freedoms for servicemen and the members of their families in accordance with the norms of international law;

—to exclude any restrictions within the Commonwealth states on the right to remain at the place in which military service is performed as the permanent place of residence, or to choose a different place of residence;

—to devise and adopt special programs to resolve housing issues and to make pension provision for servicemen on the territories of the Commonwealth member states through a coordinated procedure;

—to tackle, on a legal basis only, issues relating to the reduction and redeployment of troops.

The Commonwealth member states:

—will enhance their care for the personnel of the Armed Forces;

—will provide the utmost help and support in resolving the social and everyday issues facing servicemen and the members of their families;

—consider it essential to have objective and well-considered media coverage of the service, lives, and living conditions of servicemen. Signatures of the heads of states.

Naturally the appropriate amendments, comments, and suggestions which everyone had adopted were added to the proposal I made, and I would like to add further for my own part that we are preparing a decree on these matters, relating to servicemen serving in Kazakhstan.

Shaposhnikov Address

LD1701122592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 0950 GMT 17 Jan 92

[Speech by Shaposhnikov, commander in chief of the Armed Forces of the Commonwealth of Independent States, at the Army Officers' Assembly in the Kremlin Palace of Congresses in Moscow—live]

[Text] Esteemed Comrades! We have come together at a difficult time for the people and the Armed Forces. The economic crisis continues. People's lives are deteriorating. Interethnic and social tensions are increasing. Crisis phenomena are penetrating ever more deeply into the defense sphere, the Armed Forces, and our combat procedures [boyevyye poryadki]. In spite of the centrifugal tendencies which have been brought into the Army and Navy milieu, in spite of these, the Armed Forces continue even today to personify a viable structure which stands objectively as the bearer and defender of the common interests of the peoples of all the Commonwealth states, the last barrier on the road toward destructive processes of disintegration, and the most important factor of domestic and international stability. This role depends to a decisive extent on the situation in the Armed Forces themselves. And this in turn is determined by the organization, cohesion, responsible attitude, capacity for work and, if you like, on the patience of the officers' corps. Hence, the significance reaches far beyond the limits of the Armed Forces themselves, of the officers assemblies they have held, and of our own assembly today.

In recent years, the Armed Forces have been through a lot: The grief of the Afghan war, the pain of internal feuds, an insulting lack of understanding by society, and undeserved reproaches, sudden poverty, and the lack of social prospects. Having created the strongest Armed Forces in the world, our state demonstrated its inability to care for them appropriately and to provide them with all they need. Unfortunately, in conditions of the CIS which has been created, these and other problems continue to become more exacerbated in spite, I would say, of a number of titanic efforts on the part of many presidents and, primarily, those attending our assembly today.

We have come together at our officers' council and have invited to it leaders and representatives from all the independent states of the Commonwealth because events have developed to the point beyond which lie confrontation, chaos, and a nationwide, if not a worldwide, tragedy.

It is our patriotic, civic, and military duty to prevent this. It is impossible not to see that in the circumstances in which a number of the Commonwealth states begin to create their own armies, sharp conflict situations unfortunately emerge within the collectives of servicemen. Some servicemen do not accept the transfer to somebody else's jurisdiction or the swearing of national oaths of allegiance. At the same time, the assertions by some politicians that the officers assemblies contain some sort of dangers of military coup, seizure of power, and the like are more than untenable and, in the present situation, they are socially dangerous and provocative. [applause]

Second, officers want to take part in the resolution of issues which pertain to their interests and it is their right to convene such assemblies, tackle the issues, and express their wishes and recommendations to our leaders. As commander in chief of the CIS Armed Forces I state yet again that I will never allow our Armed Forces to be used against our own people in the resolution of

interethnic and political conflicts. I think I will express the view of everyone if I say that we will never sink so low as to dethrone someone or to enthrone someone with the aid of our bayonets. This is not our task. [applause]

Through our collective officers' will, through our collective reason, we must work out proposals and recommendations which might help the political leaders of the independent states of the Commonwealth in their joint search for constructive solutions to the range of military problems. The stability of the Armed Forces is one of the most important conditions for success both of political, social and economic reforms, and of the military reform because in these conditions—and many comrades say this now—the reforms are grinding to a halt or failing to get off the ground and so on.

Understand me correctly: In the present conditions, comrades, it is difficult to implement the reform of the Armed Forces. We must have some sort of basis, some sort of foundation—the Armed Forces either as a single entity or allied Armed Forces, so that the servicemen at least have laws on the whole territory of the former Union. If we can say that we are roughly the same, we can begin to talk of some kind of a reform. That is why I think that we are today starting the reform correctly—starting it precisely from defining the future Armed Forces.

And then we shall move on to specific questions. That is the most important thing. It is we, the officers, who in the first place should give thought to this and remember it. The political and state leaders do not have the right to forget about this, either.

The sharp upsurge of tension has in some states of the Commonwealth brought about steps aimed at transferring to local jurisdiction groupings of the Armed Forces stationed on the territory of these states. This is an over hasty transfer which is being carried out unilaterally, without joint elaboration of the mechanism for transferring the formations and units, military structures and installations, and the property of the Armed Forces, and agreeing on the list of the things to be included in this transfer. Attempts are being made to use for their own purposes the social and domestic difficulties of servicemen and their families and to gain advantage from them.

The absence of a precise and clear treaty basis and mutually acceptable agreements, reliable social and legal guarantees for servicemen regardless of their nationality leads to arbitrariness and to a position in which anything goes and provokes dangerous tension, confrontation, and antagonism in military collectives. At the same time, comrades, one must not fail to note these tendencies which are taking place in some republics even though they offend us, even though they are negative. Those which have revealed their, so to speak, striving to set up their own Armed Forces, comrades, this is their right. And we cannot now deny them this.

But it is necessary to have a civilized method to resolve these problems; some transitional period is needed—in my estimation two to three years or perhaps more—and in this time, to resolve all the social questions for our servicemen and their families without tears and suffering and, particularly, without bloodshed. If you do not want to take the oath here you should not be subjected to any humiliation or oppression. You should not be presented with any ultimatums. But you should be peacefully transferred to another territory.

I would like to report to you with all responsibility—and apparently the presidents of Russia and Kazkhstan will support me—that if there are officers who do not take the oath in the Ukraine or anywhere else, a place will be found for them both in Russia and Kazakhstan. [turns to Yeltsin] That is right isn't it, Boris Nikolayevich? [applause]

We are willing to assist the independent states of the Commonwealth in setting up their own armed forces. This has to do with problems of organizing a system of purchasing weapons, military equipment, spare parts, material resources, repair systems, technical supplies, of training the personnel, and finding solutions for other very important problems. In any case, the process of transferring parts of the Armed Forces of the former Union to the jurisdiction of one or another independent state is not a single unilateral action. It is linked not only to technology, but also to people, and requires a sensible, responsible, consistent, in short, a state approach.

In this respect we are really counting on the activity of state delegations on military and political questions, which have already been set up in some states, and are being set up in others. The tense situation emerging around the troops in the Ukraine must be a lesson to all of us. The situation in Moldova is no less complicated with regards to the 14th Army, where contradictory decisions from Kishinev and Tiraspol put the staff in an ambiguous situation. And unfortunately, some of our commanders allowed themselves to be led by one group or the other and contrast their interests to some local groups. There are more and more attempts of unauthorized takeover of military equipment, weapons and technology, of de facto establishment of control over military formations and units based in the Transcaucasus. An example of such illegal, criminal acts are the events in Nakhichevan. I want to say that if the events in Nakhichevan do not stop, we will be forced to withdraw our troops from that republic, or from that oblast. [applause]

The Northwestern Group of Forces is carrying out its duties under constant political, moral, and psychological pressure. The recent categorical demand of the Baltic Council to withdraw troops from their territory immediately shows that the leaders of the Baltic states continue to adhere to the language of ultimatums.

Comrades, this is no way to treat our personnel, our people, for they are not mere dust on the furniture, on

the table, and so on—wipe the dust and it just disappears. Nor is it the fault of our servicemen that they are serving there. No one belonging to the present generation is guilty of the fact that we ended up on the territory of the Baltic states. Surely it is with this in mind that we must tackle these issues—not today and not immediately, but step by step, in keeping with what we can do, first and foremost in the area of ensuring that officers have apartments.

In some other regions a complex situation has taken shape within the Armed Forces and around them. Apparently this will be described here by our delegates, representing officers' assemblies.

Comrades, when all these negative reports come in from the entire Armed Forces, one necessarily asks oneself this question: Is this really the reward for the worthy conduct of our Armed Forces in the August events? Or is it some ominous aim, formulated by someone's social class? Or is it our tradition to destroy everything, lock, stock and barrel without any clear vision of what will follow? That is why it is today especially important to jointly work out the stands and the solutions commensurate with this situation and with its development trends at the current stage.

Hundreds and thousands of letters, telegrams, appeals from workers, peasants, engineers, technicians, scientists, writers, doctors, officers, soldiers, workforces, and military collectives have recently arrived and continue to arrive, addressed to the Armed Forces leadership. They all ask that the Armed Forces be preserved. They demand prevention of the dismemberment of the Army and Navy into separate parts which could, it is not ruled out at all, be in opposition to one another; prevention of the defense potential and the common wealth of all the peoples of the former Union, now the Commonwealth, being split up along national lines. It is clear that this would be tantamount not only to a de facto destruction of the defense potential, but also to the final loss of the superpower status. Prevent this from happening! This is the essence of letters and telegrams, this is the instruction from officers' assemblies which took place everywhere in the Armed Forces during the period of preparations for our assembly today.

The insistent demands of life itself find their concentrated expression in this common outburst. People will not accept the breakdown of age old ties between parts of a country that was, until recently, one. This is not only unnatural, it is destructive. I therefore see the creation of the Commonwealth as the only possibility in the actual historical conditions that have developed of protecting these ties and conferring a democratic and constructive character on the processes of establishing sovereignty.

There is no doubt that this possibility can only be realized within the context of a single defense space. The single defense space is a reality, created by joint labor, by the sweat and blood of the people, and paid for by millions of our compatriots' lives. It is the only centralized and precisely coordinated system, founded on the profound integration of economics, science, and technology, for urgent material and technical supply to the front, for managing communications, staffing and training cadres, the military infrastructure etc. We have, not in theory or in political declarations, but in practice a single air and space, military and strategic space, and single planning for the use of the Armed Forces.

All groups of troops and forces have been created on a basis of military and strategic expediency and the tasks of collective defense without taking into account the administrative borders of the republics, which have a purely symbolic meaning. The Armed Forces are multinational in composition and internationalist in spirit and function within a single, rigorously centralized system of parameters of life and service based on the principles of military leadership. Their mobilization and deployment, coordinated with a plan to put the economy on to a war footing, is calculated on the national economic complex working as a single whole. Enactment of the indisputable right of each independent state to have its own army should not entail the destruction of the single defense space. Its preservation corresponds to the fundamental vital interests of all peoples of the Commonwealth and provides the conditions necessary for carrying out military reform.

Obviously, to solve the multifaceted tasks of military reform a certain transitional period is essential, within the framework of which it would be possible to insure that the process of reform can be controlled and that the solution to all problems is coordinated and organized on a legitimate legal basis. This could, in our estimation, take two to three years. During that time, the defense system could be transformed without reducing the combat effectiveness of the Armed Forces. To do so it is important to observe the principle of not destroying existing structures without providing an equivalent replacement.

It is based on both the country's and the world's experience of military construction. It is no less important to prevent the spreading of weapons and thereby the dangerous militarization of interethnic contradictions and conflicts. We remember 1917 when, due to indecisiveness and uncertainty, the 10 million strong Tsarist army collapsed within literally six months. We do not want that to happen and we ask the heads of states to understand this. All questions can be solved, their own armies can be created on the basis of sovereignty, and other issues can be solved but one should not break people's lives.

It seems that the Commonwealth states could conclude an accord on defense issues for the period of transition. In our view, it should stipulate a prospect for concluding multilateral and bilateral agreements and protocols on the issues of reforming the existing Armed Forces and transforming them into the Armed Forces of the Commonwealth.

I would like to report to you the results of my trip to some of our sovereign states. There is understanding, comrades. There is even an understanding for the need to conclude a defense alliance. Therefore, not everything is lost, as the saying goes. We have a prospect for a normal and civilized solution to all problems. In this we see the main essence of the transitional stage. What structure of CIS Armed Forces meant for solving tasks in the interests of the whole Commonwealth can there be? It can contain two main components. The first one is strategic forces, an accord on which was signed in Minsk on 30 December, and not a single state leader expressed serious objections to it. Being aware of what nuclear potential is, we had sufficient experience, commonsense, and responsibility here, comrades, to solve this issue without causing problems to any side.

The second component is joint general purpose forces. Their composition and command procedure should, it seems, be determined taking into account the national legislations of Commonwealth member states and the fact that they are setting up their own armies. The main task of these forces is seen as ensuring CIS defense in peace time and rebuffing possible aggression in war time wherever this danger comes from.

Efficient functioning of the CIS Armed Forces can be insured only given a high degree of centralization and a single command. Its main function consists in organizing the coordinated carrying out of tasks, starting from mobilizing, deploying, preparing, and conducting combat operations, maintaining a required standard of training, and so on.

In the final analysis the work of such a command will insure that optimum use is made of the expenditure of funds and resources for defense, the rational use of economic, scientific-technical, and other opportunities of each state of the Commonwealth, taken separately. We, comrades, have proposed the plan which was determined in Minsk; it is still being studied at the present moment, and theoretically speaking or in principle, in assessing this plan it may be said that at the top there is a council of heads of states, and below that a military command, headed by the commander in chief of the Armed Forces with a joint general staff.

Two branches lead from this: One branch leads to the strategic forces and the other branch leads to general-purpose forces but through the Council of Defense Ministers of the sovereign states.

Some comrades are proposing a plan whereby all the defense ministers of the sovereign states would be deputy commanders in chief of the joint Armed Forces, and senior commanders—military commanders—on the territory of these states could be deputy defense ministers. There are other plans, too.

Comrades, I will not dwell here on the documents which we handed over yesterday to the heads of the sovereign states and which documents we shall be examining there, in Minsk, on the 14th [as heard]. I believe that a radical reorientation of the military budget to a social direction and to the legal protection of military servicemen and their families should serve these objectives and tasks. And we are doing a great deal, comrades, at the present time on this question, although we are coming up against immense difficulties in shaping the budget and on the upkeep of the Army and the Navy for 1992.

The one area in which there is a very good mutual understanding, especially on the part of the Russian leadership, is that reorientation must indeed take place, directed toward the social needs of the military servicemen. Because, by safeguarding the people we shall safeguard everything; if we do not safeguard the people, we shall safeguard nothing—neither control points, proving grounds, airfields, our training bases, and so on. The content of the military oath should also meet these same objectives and tasks, if we follow our commonsense.

I would like to report to you—without knowing whether this will be a part of Boris Nikolayevich's speech—but I would like to clear up something about the oath, Boris Nikolayevich, from what you said yesterday.

[Yeltsin interjects] You speak first, and then I will add to what you have said.

[Shaposhnikov] Well then, esteemed comrades, on the subject of the oath. Yesterday, the text of a single military oath for all the Armed Forces, both strategic and conventional, was put forward. This text has about three points. The first point is that I pledge to serve my people, I pledge to fulfill the Constitution—this is the second point—of the state on the territory of which I serve. And third. that I pledge to carry out the demands of the commanders and superiors and the charter and the various military documents, and so on and so on. That is just about what it is. So, 11 states, that is all the states of the CIS, have signed the text of this oath but just for the strategic forces.

So, seven states signed the text of such an oath for the conventional Armed Forces. It was not signed by Belarus, Ukraine, Moldova, and Azerbaijan. They said that they are still working on these texts, will check with their own people, and so on. So, apart from this, I, comrades, as commander in chief, can report to you in brief that the decision has been taken at least in these seven states and in the strategic forces not to make the officers and those who have already at some time given their oath swear allegiance to something else. [applause]

We understand how hard it is now to reswear again. As has already been noted here, it is not our fault that the Soviet Union does not exist, it is not our fault that there are no Soviet people—well, at least, not in that wording. But we know that there is a people which inhabits our countries, our Commonwealth, and the territory of the former Soviet Union. And, that is why the question is being raised in this way and now, in general on this matter, you have received a greater degree of certainty, clarity, and precision. And I repeat again that for those

who do not want to take the oath somewhere, on the territory of other states, a place will be found on the territory of the seven remaining states which have signed this military oath for all who want it.

But at present, comrades, the Ukraine has begun-...[changes thought] We have had very close talks with them. They said: Comrade Shaposhnikov, why are you so sharply opposed to the Ukraine? I was inclined to be more in favor until I heard a statement from one particular official to the effect that if someone does not want to take the oath he should either resign or leave. You did not understand us properly. We are not raising the question in that way. Let him carry on serving, and so on and so on.

I mean, on the basis of an analysis of the situation that has come about concerning the Armed Forces and on the basis of the proposals expressed at officers' assemblies, it would be necessary to formulate a number of proposals. First: In the course of the period of transition and until agreed on, final decisions are taken by the CIS member states concerning the entire range of defense issues, to have united Armed Forces with a single command of such forces.

Second: To refrain from adopting legislative acts concerning the defense of the CIS or concerning the organizational development and the operation of the Army and Navy without agreeing, on an interstate level and on the basis of competent expert views, on fundamental issues concerning the Armed Forces, concerning the procedure for doing one's military service, concerning the status of servicemen, concerning the citizenship of servicemen and members of their families, the provision of housing, welfare, material, financial and pension provision, the status of higher military educational establishments on the territory of the Commonwealth member states.

Third: To work out a unified concept for reforming the Armed Forces of the former Union and to work out an agreed approach on the part of the CIS states to implement this concept. Radical transformations can only be implemented following the adoption of joint political decisions and the endorsement of doctrinal tenets concerning the quantitative and qualitative composition of the national and the allied Armed Forces.

Fourth: To conclude an interstate agreement between the independent states concerning the procedure for the upkeep of the Armed Forces during the transition period; to insure the legal resolution of the problems connected with their stay on the territory of the states which do not form part of the CIS and to insure the observance of the rights, guarantees, social protection for servicemen and members of their families.

In connection with this and on behalf of the officers' assembly, we ask Boris Nikolayevich, the president of the Russian Federation, to take under his jurisdiction the north...[corrects himself] the troops deployed in the north...[again corrects himself] on the territory of the Northwestern Group of Forces and of other states which are not members of the CIS. I think that this will be, as it were, in keeping with the spirit of our assembly. [applause]

Comrades, in view of the fact that the presidents of the independent states were unable yesterday to appraise themselves fully of the content of the package of documents submitted to them, I want to dwell on this and tell you what our esteemed presidents went away with to their respective capitals.

First, the law on defense. Second, the law on universal military duty, military service; the law on the status of servicemen; the agreement on the powers of the highest CIS bodies in defense matters; the agreement between the Commonwealth member states on the legal foundations for the operation of the Armed Forces; the agreement by the Council of the Heads of CIS Member States on the military oath; the agreement between the Commonwealth member states on the system of training military cadres; the agreement between the CIS heads of states on extending to the commander in chief of the Commonwealth Armed Forces the right to approve and implement provisional general military regulations of the CIS Armed Forces.

Also, an agreement between the participants concerning the CIS Armed Forces' law protection bodies; the agreement on the compilation of a single defense budget for the upkeep of the strategic forces and general purpose forces; the agreement between Russia and other states on the legal status and on the procedure of the withdrawal of the former Union's Armed Forces temporarily stationed on the territories of the states which did not join the CIS; the agreement between the CIS member states on the status of the strategic forces; the agreement between the CIS member states on the general purpose forces for the period of transition; the decision of the Commonwealth heads of state on the Main Command of the Armed Forces and on the Council of Defense Ministers of the states; the agreement between the Commonwealth member states on the social and legal guarantees for servicemen and for persons discharged from the military service and for members of their families; the protocol of intention concerning the implementation of the accord between the Commonwealth member states concerning defense issues; and the agreement on the principles and the procedure for implementing the Treaty on the Conventional Armed Forces in Europe.

It is this package of documents that the presidents of our CIS took to their respective capitals and on the 14th we shall meet in Minsk to resolve issues arising from this whole package of documents.

Thank you for your attention. [applause]

Delegates Cited

PM1701141592 Moscow SOVETSKAYA ROSSIYA in Russian 17 Jan 92 p 1

[Report by A. Orlov: "We Have Been So Humiliated We Cannot Stand It Any Longer"]

[Text] They came to SOVETSKAYA ROSSIYA yesterday on the very eve of the all-Army conference. They came to impart their pain and concern—not everyone will manage to speak from the Kremlin rostrum. And they asked their position to be made known to the newspaper's readers.

Captain First Rank V. Krivanchikov, Black Sea Fleet:

The mood with which we have come to the officers' meeting is, in a word, militant. Personally I shall say that we have already gotten to such a life, we have been so humiliated and insulted that we cannot stand it any longer. When the officers and CIS [Commonwealth of Independent States] presidents gather in a single auditorium as they have been invited to do, their demand should be heard in all its magnitude: Enough of the dismantling of the Armed Forces. It is the only remaining institution which has consolidating force and which guarantees security. Personally my position is that an officer takes an oath once. I long ago swore an oath of allegiance to the entire people of our republics. And I do not intend to swear another oath...

Captain M. Avdeyev, a native of Siberia:

I served in the Baltic and was a volunteer in Afghanistan and I have returned to the Baltic again. We have with us our families, who are now in a state of suspension. Many are leaving in advance: some to Ukraine, some to Russia, some to Belarus. No one rules out the most terrible forecasts for the future: Nationalism calls the tune. We are against nationalism. I believe that the real aim of the all-Army meeting should be the statement: We have had enough riots and lawlessness in the country. The CIS is a soap bubble, not a state. We have had enough of the destruction of society. They will not play any more political games using the military.

Airborne Troops Captain P. Ivanov, serving in Lithuania:

Now we are serving "abroad." If I were to speak from the rostrum of the officers' meeting I would ask one question on my comrades' behalf: Who are we, in what role are we acting on the territory of a sovereign state? Our status has still not been defined. Are we occupiers, as we are called, or are we a group of troops which is fulfilling missions on instructions from the government? And of what government?

We are perturbed for the future of our formations, which have experience of Afghanistan and of "hot" spots. They say we will be disbanded. But our officer regard the very idea as criminal: The formation is the flower of the Army. They will send us to Russia? All officers agree with that but there is a fear that we will be thrown out as we were from the East European countries—without having housing and so forth prepared for us. The officers said: Tell them we do not want that fate and that we no longer believe the politicians' general promises. Everyone is afraid of losing our last strength—weapons—and the feeling is that they will not surrender them in any circumstances.

Captain First Rank L. Shklyar, Sevastopol:

That is also the main trouble in the unit which I command. The officers see no future. And, as a Belarussian, what future can I see in serving another country? People like me are in the majority. That is affecting service and combat training. And we also have great doubts as to the ability of the present leaders of Russia and Ukraine to resolve the Black Sea Fleet question with historical wisdom. For instance, in Ukraine no one knows why the fleet exists, what tasks it will resolve, or how it will be equipped. But... give us the Fleet! What for? To turn into scrap metal and sell? The officer sent me to Moscow with the mandate: We all serve the Commonwealth. Neither the Army nor the people nor anyone needs what is happening now...

Captain A. Selivanov, military engineer from Kaunas:

There have already been rumors in the press that the military are meeting in the Kremlin to discuss options for a putsch. We did not come here to do that but to find ways of resolving our problems. In my opinion there has already been a putsch. It was perpetrated by the three CIS leaders—without the people, without the proper steps. Although proceeding from the situation in which we have all found ourselves today it is not out of the question that some military men will say that it is time for the military to take power into their hands. But the path is the same—the realization that we are on the brink of an abyss...

Captain Third Rank V. Kokhanovskiy, Pacific Fleet:

I speak on behalf of the officers' assembly of a submarine formation. And the first thing we would like is the full transmission of the all-Army conference on CIS television. And that former President M. Gorbachev be invited to the conference to explain which political leader compelled him to resign, thus reinforcing the country's collapse. I am also in favor of adopting an appeal from the Armed Forces officers to the entire Soviet people speaking of the need to retain a single state and a unified army. My comrades wrote the following in their resolution: If this demand is not met all power over the Army and Navy should switch to the chairman of the officers' meeting Supreme Council...

Chernavin Addresses Navy Council Meeting

LD1601215392 Moscow TASS International Service in Russian 1720 GMT 16 Jan 92

[By TASS correspondent Aleksandr Danilin]

[Text] Moscow, 16 Jan (TASS)—The position and state of the Navy and the situation that has developed with regard to the Black Sea Fleet formed the agenda of the Navy Military Council meeting that was held here today.

It was attended by over 400 officers delegated by officers' collectives of ship formations, coastal units, naval training establishments and institutions to attend the all-Army conference of representatives of officers' gatherings which is set to open on 17 January in the Kremlin's Palace of Congresses.

A report was presented by Admiral of the Fleet Vladimir Chernavin, the Navy's commander in chief.

Transcaucasus District Transfer To Be Proposed

LD1601205592 Moscow TASS International Service in Russian 1105 GMT 16 Jan 92

[Text] Tbilisi, 16 Jan (TASS)—"After discussing the situation at officers' forums and after thorough analysis, we have reached the conclusion that the Transcaucasian Military District should be under Russian jurisdiction," Colonel General Valeriy Patrikeyev, commander of the district, stated to a TASS correspondent before leaving for Moscow to take part in the all-Army conference set for 17 January.

"Armenia," he said, "now agrees in theory with this. Georgia's new leadership also favors troops remaining in the republic. The only exception is Azerbaijan."

General Patrikeyev expressed concern at the increased number of reports from officers of various nationalities who want to serve in their own republics. "A coded telegram has been sent to the troops suggesting that no extreme measures be taken until the problem of the Transcaucasian Military District has been resolved at the All- Army Conference of Representatives of the Officers' Forums and the meeting of the heads of sovereign states," he said. "I think the politicians will make a substantive decision. I am getting ready to make a speech in Moscow to propose that the district be transferred to Russia's jurisdiction. If this decision is made, the district will be staffed predominantly by representatives of the Russian Federation and an oath of allegiance to Russia taken," the commander stressed.

"Georgia's former leadership swore to have orderly relations with the military, but in practice behaved differently. Decrees were adopted that declared the Soviet Army to be one of occupation and its property transferred to the jurisdiction of the republic. I recently had a conversation with Tengiz Sigua, the acting Georgian prime minister. He briefed me on the new government's plan of action. Judging from appearances, the attitude toward the Armed Forces is changing dramatically. Whatever, the parliament's decision on the occupying nature of the Soviet Army has been repealed," the commander concluded.

Official Interviewed on Western Army Withdrawal

AU1501135592 Budapest NEPSZAVA in Hungarian 11 Jan 92 pp 1,2

[Interview with unidentified official at the Press Department of the Defense Ministry of the Commonwealth of Independent States, by Andrej Kiss in Moscow; date not given: "Shaposhnikov Is the Commander of the Phantom Army—According to Moscow, Many Things Could Happen....]

[Text] Conflicts have quickly and stormily overcome the unity of interests within the CIS [Commonwealth of Independent States] hastily created from the pieces of the Soviet Union. While the whole world is paying attention to the Black Sea Fleet and the hundreds of thousands stationed in the Ukraine, however, a phantom army has vanished from the "horizon." This is the Western Army Group stationed in Germany, which has incredible striking power and is being withdrawn on the basis of an agreement made by the Soviet Union.

We asked the CIS Defense Ministry official who commands the Western Army Group:

[Official] The entire Western Army Group, including all weapons, obeys General Shaposhnikov, the general commander of the united forces of the CIS.

[Kiss] What about the forces returned to the territory of the former Soviet Union, to the Ukraine and Belarus, for example?

[Official] According to the agreements in force, they are subordinated to General Shaposhnikov the same way as the ones still in Germany.

[Kiss] Does this mean that there are no uncertainties between Moscow and Kiev in relation to the withdrawal?

[Official] It is a well-known fact that there are differences of opinion but, in our view, these do not affect the withdrawal of troops. We carry on with the withdrawals according to the schedule agreed to with the Germans.

[Kiss] The internal policy of the CIS, however, is not progressing according to the "schedule." Could the increasing Russian-Ukrainian debate place the withdrawal schedule in doubt and raise questions as to where the returning soldiers belong?

[Official] Many things could happen, although the newly independent states that later created the CIS also have a valid agreement. Politicians rather than soldiers should resolve the disputed points. We only implement things.

[Kiss] Do your Ukrainian colleagues have the same views?

[Official] Perhaps you should ask them about this.

Military-Democrats Oppose Politicization of Army

LD1601222192 Moscow TASS in English 1830 GMT 16 Jan 92

[By TASS correspondent Vadim Byrkin]

[Text] Moscow January 16 TASS— "The Army should not be involved in politics. It should be a support of legally and democratically-elected power," says an

appeal of the Coordination Council of the "military for democracy" movement and the Federation of Peace and Concord to participants in the all-Armed Forces Conference of Representatives of Officers' Assemblies.

Military-democrats are against politicians' attempts to "involve the Army in their games", as well as attempts of former party apparatchiks to "use the Army for curbing democracy and returning to the old dead-lock way of development".

They consider inadmissible to provoke the Army to take political actions.

Authors of the appeal believe it necessary

—To adopt within a few months to come the military doctrine of the Commonwealth and military doctrines of independent states,

—conclude a treaty on security of the Commonwealth of Independent States, and bilateral and multi-sided agreements on security,

—create a military-political mechanism to provide for security within the Commonwealth,

—elaborate a program of military reforms, giving special attention to the social protection of servicemen, members of their families, and the military discharged in connection with the reduction of the Armed Forces.

Union of Officers Protest Army Disintegration

LD1601175692 Moscow TASS International Service in Russian 0940 GMT 16 Jan 92

[Text] Moscow, 16 Jan (TASS)—"Our patience is at an end!" These are the words beginning a statement by the organizing committee of the "Union of Officers" social club. The document is published in SOVETSKAYA ROSSIYA today.

The "Union of Officers" categorically protests the "destruction of the country's unified system of defense, the disintegration of the centralized troop management, and forced oath-taking to republican presidents." It demands "an end to the splitting of the Armed Forces and the taking of oaths on republican territories."

The organization believes that it is necessary "to leave the Army and Navy under unified command, where it is strictly centralized and flexibly managed," and, within a month, "to work out a harmonized, unified strategy for the management of the Armed Forces, for their financing, and for guaranteeing a normal regime for their functioning." The officers demand a revision of the schedule for troop withdrawal from Eastern Europe and a stop to relocation and reductions or disbandment of units and formations until the social and daily welfare of servicemen have been resolved.

Bearing in mind the increasing "crude violations of the rights of servicemen, insults to their personal dignity, and moral and physical intimidation," the "Union of Officers" seeks the right for servicemen to carry personal weapons and use them to "protect their lives and those of their family members."

Reductions for Shipbuilding Program Proposed

OW1701131492 Moscow INTERFAX in English 1700 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] As IF [INTERFAX] learned from a source at the USSR Armed Forces General Headquarters, Marshal Shaposhnikov and Admiral Chernavin had sent a number of proposals on reduction of the shipbuilding program to Russian President Boris Yeltsin.

Due to shortage of money, the fate of unfinished military ships standing at shipyards remains unclear. Thus, of the two cruisers—aircraft carriers only one "Varyag" destined for the Pacific Fleet has a chance to survive. As for the other cruiser "Ulyanovsk", military sources say, "it has almost been decided to scrap it."

Black Sea Fleet Controversy Grows 'Worse'

92UM0340A Moscow NEZAVISIMAYA GAZETA in Russian 10 Jan 92 pp 1, 3

[Article by Vladimir Skachko: "To Whom Does the Black Sea Fleet Belong?"]

[Text] **The political situation in Ukraine continues to grow worse.** The confrontation is moving from the military sphere into the area of politics and, as it commands public awareness, it is emerging into the familiar principle—"Who is on top?"

On 8 January in the central square in Sevastopol there was a large rally with the slogan "The Black Sea Fleet to the Commonwealth of Independent States!" The Fleet's commander, Admiral Igor Kasatonov, held a news conference on the same day. In particular he announced: "The situation in the Black Sea Fleet is under control. Work is proceeding normally and successfully, and it is under command control. But the Fleet's military council is being drawn into political games. The Fleet is not faced with the question of whether or not to follow the order of Ukrainian President Leonid Kravchuk. The Fleet is under the direct jurisdiction of the commander in chief of CIS [Commonwealth of Independent States] forces, Marshal Yevgeniy Shaposhnikov, and the former commander of USSR Naval Forces, Admiral Chernavin."

In the opinion of Admiral Kasatonov, technically it is impossible to divide the Fleet up among the republics, and the Ukraine itself cannot maintain it in the proper condition and combat readiness. At the same time he added that today the Ukraine provides 98 percent of the Fleet's food. And it has taken responsibility for paying the wages of the Fleet's personnel as well. But Igor

Kasatonov expressed no desire to take an oath of allegiance to the people of Ukraine. "The Black Sea Fleet has already taken one oath—of fidelity to the Soviet people," he said.

Various political forces of the Ukraine assess the situation that has developed in their own ways. The chairman of the Union of Officers of the Ukraine, a former USSR people's deputy, Colonel Vilen Martirosyan, accused Marshal Shaposhnikov and Central Television of attempting to derail the process of creating Ukrainian armed forces. He also announced that the Fleet commander, Admiral Kasatonov, had cut off communications with the Ministry of Defense and sent coded messages to all the Fleet subdivisions demanding that they follow orders only from Marshal Shaposhnikov.

The mass media have also entered into the struggle for the Black Sea Fleet. In the republic press there are reports of some alleged unpublished ukase from Russian President Boris Yeltsin about transferring all Armed Forces of the former USSR to Russian jurisdiction and appealing for Russian Vice President Aleksandr Rutskoy not to raise the Ukrainian flag over the Black Sea Fleet, and also statements from the chairman of the Russian Armed Forces, Ruslan Khasbulatov, to the effect that all four fleets of the former USSR would belong to Russia. The Russian Federation is being accused directly of trying to start a war. On 9 January a statement from the Ukrainian National Information Agency was disseminated, which said, in particular: "Claims about the agreements signed on 30 December 1991 in Minsk are completely groundless. As we know, in Minsk participants in the Commonwealth affirmed their legitimate right to create their own armed forces in keeping with their national legislation. According to Ukrainian law, property and financial resources of facilities under Union jurisdiction located on the territory of Ukraine (and the Black Sea Fleet is stationed mainly in Ukraine) are the state property of Ukraine."

In the other kinds of forces the personnel continue to take the oath. As the deputy chairman of the political department of the State Committee for Questions of Defense of the State Border, Major General Yuriy Babanskiy, said, there are no overt refuseniks among the border troops.

The oath was taken by 8,000 people in the National Guard of Ukraine on 8 January. During three days 505 military service personnel left Ukraine. They had been called up from other republics and did not wish to serve Ukraine. About 200 military servicemen of various nationalities expressed a wish to complete their service in the republic. With respect to the students in the military schools who did not wish to swear an oath to Ukraine, Defense Minister Konstantin Morozov stated that they could continue their studies in peace. Their subsequent service would be determined by bilateral interrepublic agreements concerning the policy for training in military VUZ's [higher educational institutions] of Ukraine. Morozov also added that officers and warrant officers need not worry about their future. In a couple of days the laws on social and legal protection of military servicemen and the policy for their material support would go into force.

But still, in spite of Konstantin Morozov's optimism, alarm is growing in the republic. Will they manage to avoid disturbances in the military units or even a mutiny? So far the Ukrainian leaders, having created their own system of communications and leadership of the troops, are controlling the situation.

On 9 January in the republic capital there was an all-Ukrainian conference on questions of military construction in Ukraine. The conference was devoted to two basic issues: creating the Ukrainian Armed Forces and taking the military oath, which is regarded as the first stage of the Ukrainian military reform. And the reform in Ukraine is to be completed in three stages with the creation of their own armed forces: ground, air, and sea. This was announced in the report by the republic defense minister, Colonel General Konstantin Morozov. He reported also that the reform would consist not only in changing the jurisdiction of the troops in Ukraine but also in reforming and transforming the three military districts into three strategic areas: western, southern, and reserve. Ukrainian aviation will consist of three ground groups and one sea group. The Black Sea Fleet will be transformed into 16 naval brigades, naval aviation, and shore guard. They will create special border troops, a national guard, and military VUZ's. New military regulations will also be adopted. Troops of Ukraine are to take the oath not by 20 January but by the end of the month. The postponement apparently has to do with difficulties in the negotiations with the military units. Prime Minister Vitold Fokin announced that Ukraine would take over the social, financial, and material support for the troops. He announced also that the money from Germany intended for the construction of 17 compounds for military servicemen shipped out of that country had been frozen in Moscow. The chief of military communications of the Ministry of Defense of the former USSR had prohibited shipping cargo to Ukraine.

Leonid Kravchuk read the coded message from Marshal Shaposhnikov in which he ordered all troops stationed on the territory of the republic to take the oath of fidelity to Russia on 10-12 January. The text of the oath was attached and it contained these words: "I swear to obey the laws of the Russian Federation and not take up arms against my own people." Even the generals could not understand what the relationship between the Russian people and the Ukrainian people was.

Major General Bashkirov, commander of a strategic aviation unit located in the city of Uzin, stated outright that although his unit is a part of the strategic forces, it would like to take an oath to Ukraine. "When there were debates about who would have their finger on the nuclear button, we, who have more than 100 of these buttons, did not feel protected by the Commonwealth of Independent States. Therefore I would like very much for

Ukraine to guarantee us control in the refusal to use nuclear weapons," stated the general.

Other generals, except for Black Sea Fleet Commander Admiral Igor Kasatonov, were not against being under Ukrainian command either. He said that the Black Sea Fleet had become a hostage in political decisions which had not yet been made. Moreover, in Minsk it was decided that the Black Sea Fleet belongs to the strategic forces of the CIS. On the basis of this, stated Kasatonov, we are prepared to contribute to the creation of the Ukraine's own fleet, but the Black Sea Fleet has been and is Russian. His deputy vice admiral Aleksandr Frolov said that one-third of the personnel were prepared to swear an oath to Ukraine, but 50 percent could still not get over the notion of "Sevastopol—city of Russian sailors."

Kravchuk denied Kasatonov's statement and said that no decision about the Black Sea Fleet as a constituent part of the strategic forces of the community had been made in Minsk. Only the part of the fleet that has nuclear weapons, said Kravchuk, is included in the CIS forces under the general command. It will return to Ukraine after its nuclear weapons are destroyed. Then Kravchuk publicly asked Kasatonov if he were prepared to obey Shaposhnikov's order and swear an oath to Russia. The admiral did not answer either yes or no. The participants adopted an appeal to the military personnel in the republic, which says in particular: "We call for all military personnel of all military formations located in Ukraine to make their choice and by voluntarily taking the military oath... show fidelity to the people of Ukraine."

The conference came to the conclusion that the main legislative acts on questions of military construction and sociolegal protection of military servicemen and their families had already been adopted. In the future the Armed Forces of Ukraine will complete the creation of a legal foundation which will provide for resolving the complex of issues in the military sphere.

Economic & Social

Figures Reveal Threat of Famine Facing Country

LD1601202492 Moscow TASS International Service in Russian 1326 GMT 16 Jan 92

[By TASS correspondent Aleksandr Dzyublo]

[Text] Moscow, 16 Jan (TASS)—For the first time in the last 30 years the population of the former USSR faces a real threat of famine. This conclusion is drawn in a study conducted by the services of the former USSR Goskomstat and signed by Nikolay Belov, deputy head of this department.

Statisticians analyzed the budget of 75,000 families before and after the single rise in retail prices of April last year. What is revealed? First, there is a change in the structure of purchases and consumption of main food products. In the first three months after the reform, 18 percent fewer bread products, meat, and meat products were acquired than in the corresponding period of last year, 17 percent fewer dairy products, and 27 percent fewer animal fats.

Since last spring the eating habits of the population has changed sharply in the direction of a "non-rational carbohydrates model." In Georgia, Uzbekistan, and Azerbaijan, one family in three, and in Armenia and Tajikistan every other family, consumed less than 1 kilogram of meat and poultry per person per month. Nearly two-thirds of families in Kyrgyzstan, Georgia, and Uzbekistan, and three-quarters of those in Tajikistan, last year consumed less than 200 grams of animal fat per person per month.

The reduced level of consumption of food common to all groups of the population led to "a reduction in the calorific value of nourishment," the statisticians point out. Before the liberalization of prices on 2 January, consumption of bread products, potatoes, and sugar provided nearly 60 percent of the calories considered by physicians to be necessary for people's normal everyday activity. In some republics this proportion exceeds 70 percent.

The statisticians' conclusion is clear: "The reduction in the proportion of biologically valuable food products will undoubtedly have a negative effect on the population's health."

Former Union Miners Prepare for General Strike

LD1601215292 Moscow Radio Moscow World Service in English 1300 GMT 15 Jan 92

[Text] Miners in the former USSR are preparing for a general strike. Workers in the Karaganda coalfields in Kazakhstan have already quit work. There is also unrest in the Donbass in Ukraine and the Kuzbass, the main coal supplier of Russia. The reason for the mass dissatisfaction is not even mounting prices, but the absence of goods and foodstuffs in the shops. What also makes the miners angry is that former agreements are not being complied with, and that includes the agreements on granting the mines economic independence and the right to sell part of the coal they produce at free prices.

Reaction to Price Liberalization Measures Reported

PM1601132792 Moscow IZVESTIYA in Russian 16 Jan 92 Morning Edition p 2

[Roundup of reports by Stepan Troyan, Nikolay Lashkevich, and Vladimir Kuleshov: "Release of Prices in Russia Has Generated Response in Republics of Former Union"]

[Text] In the flow of domestic news the number one topic undoubtedly remains the liberalization of prices. IZVESTIYA continues to keep track of the situation on

the consumer markets of the new states, the population's reaction, and its purchasing power. There is no denying that however we may try to persuade each other of the inevitability of the release of prices even the first step to liberalize them has given rise to a mass of problems.

IZVESTIYA own correspondent Stepan Troyan reports from Lvov:

"There is many a slip twixt cup and lip"—that could describe the situation which is taking shape in the trade in poultry meat and eggs in Ukraine. With the aid of the administrative edict lever, which is operating smoothly, prices for these products have been raised sky high. And the reusable karbovanets-coupons, leaving the population with only an extremely limited purchasing power, can create only a semblance of well being.

After a long interval broiler chickens and eggs have appeared on the store shelves. Stocks of these foods are increasing not by the day but by the hour.

"By mid-January we have already accumulated 70 tonnes of poultry meat," says I. Zayats, general director of the "Lvovptitseprom" association. "A week ago we were obliged to suspend the slaughter of poultry, that we have nothing to feed with, and almost 5 million eggs are logjammed at the depots. We do not have the right to sell our output for rubles because they are no longer money in Ukraine. And the people only have enough coupons for bread and milk. A whole agricultural sector has been placed on the verge of collapse. Already we have nothing with which to pay for feed for the poultry. There are two ways out of this situation: Either increase the norm for issuing coupons or allow us to sell out output for rubles. Otherwise material and moral losses await everyone."

IZVESTIYA own correspondent Nikolay Lashkevich reports from Lithuania:

As IZVESTIYA forecast, Russian prices did not exceed Lithuanian ones for long—less than a week. In the republic there has been another increase in retail prices for food. A new stage has thus begun in Lithuania's move toward complete liberalization.

Prices are approximately as follows: One kilogram of black hearth-baked bread will cost 2.25 to 2.52 rubles [R] (previously it was R1.42-R1.88), one kilogram of beef will cost R28-40 (previously R18-22), one kilogram of pork will cost R27-39, a bottle of milk will henceforth cost 90 kopeks instead of 67, and a kilogram of butter will cost up to R30. To judge by my impression from a visit to a supermarket this morning the people are not grumbling—they have grown used to it.

But the present liberalization—and that is an important feature of the Lithuanian version of prices liberalization—is accompanied by quite drastic changes in purchase prices for agricultural output and foods. Essentially Lithuania has abandoned subsidies for food goods. One more step has thus been taken toward the abolition of the system whereby purchase prices for agricultural output and foods were set and regulated from above, as a result of which a bottle of milk cost less than a bottle of lemonade. Now, by a Lithuanian Government decree, all output produced by agricultural enterprises, peasants, and other inhabitants of Lithuania is purchased at contract or market prices. Actually, so far an exception has been made for milk: Purchase prices for milk have been increased 50 percent. But retail prices (except for milk, kefir, curds, sour cream, and butter) are still set without subsidies from the republic's state budget. And "milk" prices will stay like this for just three weeks and as of 1 February they too will be completely freed.

It is planned to "quell" the uncontrolled growth of retail prices partially freed from the pressure of state regulation using socioeconomic protection methods: the so called general vouchers and unique vouchers. Butter, sugar, flour, and salt are henceforth being sold in Lithuania only with unique or single-use vouchers. Two thirds of the retail price for meat and meat products is paid in rubles with the simultaneous submission of general vouchers for the same sum. Without these vouchers meat will not now be sold in Lithuania for "unadorned" rubles. Prices for bread, flour, groats, and pasta will be announced by administrations in cities and rayons.

IZVESTIYA own correspondent Vladimir Kuleshov reports from Turkmenistan:

In accordance with the agreement of the governments of the republics of Central Asia and Kazakhstan the January rise in prices began simultaneously in the region.

In the Ashkhabad food stores today you must pay R91 for a kilogram of butter, R6.41 for a bottle of Pepsi-Cola, R8.88 for a kilogram of sugar, R1.50 for a white bread loaf, and R30 for a kilogram of mutton.

The republic is trying somehow to ease the situation. By a decree of President S. Niyazov the liberalization of prices will be implemented with the introduction of a limited list of goods—food and services—sold at state regulated prices and tariffs on the internal market. Limits have been set for the increase in prices for 32 types of goods and services (in Russia this applies to only 22 types). Price limits have been introduced primarily for bread, milk, soured milk produce, vegetable oil, rice, sugar, children's food, vodka, which now costs R42 a bottle, fuel, electricity, and gasoline. By a decree of the republic's president it is forbidden to increase more than threefold prices for articles made by Turkmenistan's commodity producers and sold on the internal market.

But it is well known that goods are continuing to be transferred at speculative prices from the trade bases to the republic's markets. Only the other day, suspecting D. Ereshov, an inhabitant of the "Moskva" collective farm, Chardzhuskiy Rayon, of speculation, workers of the Department for Combating the Embezzlement of Socialist Property and Speculation discovered 42 Korean "Sino" refrigerators in his house. Alongside

open speculation cases of theft from automobiles, apartments, and pedestrians in the evening have become more frequently. Already over half the graduates of Turkmen higher educational establishments are not working in their special field. The majority are trading and have found a place in the in the hurly-burly of the local second-hand goods stalls.

'Scandalous Story' of Maritime Fleet Sell-Off

PM1401125192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2200 GMT 11 Jan 92

[Report by S. Fateyev and V. Zamchinskiy; from the "Novosti" newscast]

[Text] [Announcer] The subject of ships in our country has not been exhausted yet. Ever increasing publicity surrounds the scandalous story of the selling off of the best ships from the country's maritime fleet.

[Fateyev] The ships that have been sold off include the pride of our passenger fleet, our best ships, the Fyodor Dostoyevskiy and the Maksim Gorkiy, the ship where not so long ago President Gorbachev received President Bush off the coast of Malta, as many people probably remember. These ships are still in excellent condition today and could earn considerable hard currency profit but they are being sold off to foreign shipowners for peanuts under bogus, falsified documents. They are being sold by former officials of the Ministry of the Maritime Fleet who have now seized power in Sovkomflot, the joint stock commercial venture formed three and a half years ago by the country's maritime steamship companies.

Media

News Agencies Agree on TASS Information Pool

LD1601222992 Moscow TASS in English 1834 GMT 16 Jan 92

[By TASS correspondent Ludmila Alexandrova]

[Text] Moscow January 16 TASS—Heads of 14 news agencies of former Soviet republics see no obstacles for TASS news agency to become an information pool which will help exchange their news wires.

The heads of the news agencies ended on Thursday [16 January] their meeting in Moscow, which was hosted by TASS.

They discussed a possibility of creating a joint TASS world service news wire both in Russian and in English and its transmission via satellite communication links. They agreed to contribute economic and commercial information to the unique data centre of TASS, which will be used by all the news agencies.

Heads of the news agencies have similar views on most of the problems discussed and were uninamous in the desire to preserve the existing information structures and use them to the benefit of all sovereign states.

There are no obstacles in preserving a united information space, TAJIKTA director Zainiddin Nasriddinov maintains. "We have been working together with TASS and other news agencies for many years and we plan to continue the cooperation", he told TASS on Thursday. Enormous finances are necessary for each state to create its own information network. We cannot live without TASS, a coordinator and a pool which will receive news from the united information space and transmit it world over, he explained.

The participants in the meeting appealed to all mass media to name the agencies when using their news. We ask you "to understand our natural desire to hear and see the source of the information which you take from our news wires", they said.

Heads of all republican news agencies of the former Soviet Union, excluding Latvia, took part in the meeting.

TASS Carries 16 Jan Press Review

LD1601102392 Moscow TASS in English 0649 GMT 16 Jan 92

["Press Review"—TASS headline]

[Text] Moscow January 16 TASS—Today's newspapers highlight a ruling by Russia's Constitutional Court about the unconstitutional nature of the actions of Russia's President Boris Yeltsin.

The Constitutional Court recognised as unconstitutional the presidential decree on a merger of the Russian services of security and internal affairs into a single ministry, KOMSOMOLSKAYA PRAVDA reports.

"We have become convinced that the Constitutional Court—the third pillar in the reviving Russian state—does not play a decorative role, as was typical of the courts of the old Union, and is capable of withstanding the considerable pressure of the presidential will", the newspaper writes.

The Constitutional Court of Russia displays its resolute character—is how today's PRAVDA describes the Republic's Constitutional Court meeting, the first one in the history of Russia.

The newly-established court chose for its debut a nut that could have been hard to crack, the newspaper emphasises, but it has shown the firmness of character. The reason for such a ruling is that "a merger of the Ministry of the Interior and the security service would pose a threat to the political rights and freedoms of citizens." These agencies had been for long unaccountable to society and, what is more, terrorised it, PRAVDA observes.

KRASNAYA ZVEZDA (RED STAR) quotes Russia's Deputy Prime Minister Sergey Shakhray, who represented the side of the Republic's president at the court session, as telling journalists after the session that "this is a political decision, not a legal one".

The press continues to give prominence to "heated arguments" brought about in Russia's upper echelons by a strong criticism of the Russian Government's actions by parliament speaker Ruslan Khasbulatov.

PRAVDA carries Khasbulatov's statement in an interview with the British FINANCIAL TIMES newspaper, in which he again attacked the government. He called for changing the present programme of economic reforms. "We are fed up with experiments. We have had quite enough of them," Khasbulatov said. He made it clear that he was prepared to use parliamentary authority to put a stop to yet another "experiment".

KOMSOMOLSKAYA PRAVDA writes in this connection "that Khasbulatov's logic is quite transparent: The parliament goes into session after the winter recess. Therefore the best tactic is to demand the government's resignation in advance". One politician tries to carry out reforms while another one is preparing reserve airfields, the newspaper concludes.

PRAVDA, commenting on the "heated arguments in Russia's upper echelons", notes that the Russian president stood up for the government's actions, parrying criticism. But shock is still felt after what one has seen and heard. Yet another shock after shock therapy, the newspaper observes.

The destiny of the Army and the Armed Forces is the main subject of today's issue of the newspaper SOVETSKAYA ROSSIYA which carries a number of materials about an "agenda of an all-Army assembly of officers".

The newspaper runs a statement issued by the "Union of Officers" social club in defence of the armed forces. "Our patience has run out," the officers write. "We are categorically against the disruption of the common defence system of the country, the break-up of the centralised control of troops and the taking of an oath of allegiance to the republican presidents under compulsion".

KRASNAYA ZVEZDA reports a decision by President Islam Karimov of Uzbekistan to bring military forces and individual units stationed on its territory under the Republic's jurisdiction.

The newspaper conveys an opinion by military lawyer L. Smertin about legal principles for the division of the Army on an ethnic basis. The departmental head at the chief military procurator's office believes that the Army is being eroded by lawlessness. The USSR law on universal military service ceased to exist following the establishment of the Commonwealth of Independent States (CIS), Smertin points out.

"But the disbandment of the Army for this reason should not be allowed. And there are no other laws to this effect so far. This means that the heads of state of the CIS members should immediately reach an accord to extend the validity of the law," Smertin maintains.

Coalminers are on the verge of a strike, the newspaper TRUD reports, commenting on trade unions' reaction to the introduction of free prices. The Federation of Independent Trade Unions of Russia (PITR), for example, has demanded that the government fulfil its promises, threatening with a massive action of work collectives.

The leadership of Russia has repeatedly promised that preventive measures of social protection would be taken before prices are freed. But no measures were taken. The government virtually deceived the people, PITR Deputy Chairman Vasiliy Romanov told TRUD.

The liberalisation of prices is discussed in SOVETSKAYA ROSSIYA by the newspaper's correspondent N. Starilov and Professor A. Deryabin, Dr. of Science (Economics).

The liberalisation of prices as of one of major factors in the transition to a market economy can produce a positive result only if it is buttressed up by economic demonopolisation measures, Professor Deryabin believes.

"In Russia, in an atmosphere of the monopolised economy, it is now senseless to speak about an invisible hand of the market or the management of producer by means of prices," he said.

President Mintimer Shaimiyev of Tatarstan, in an interview with KOMSOMOLSKAYA PRAVDA, upholds his viewpoint on the role of autonomous entites in the Commonwealth of Independent States.

He believes that the current sovereignisation process is not limited to the interests of the CIS founding states. "It objectively affects the interests of all subjects of the former Soviet Union. We maintain that accession to the CIS by Tatarstan and other former autonomous entities that proclaimed state sovereignty is well-founded legally," Shaimiyev points out.

In their international-news sections, newspapers write about the elaboration of a new "European nuclear doctrine" sponsored by President Francois Mitterrand of France (PRAVDA), the intensification of the nuclear disarmament process in Europe (KRASNAYA ZVEZDA), the nature of Japan's "economic miracle" (KOMSOMOLSKAYA PRAVDA) and other international developments.

17 Jan Press Review

LD1701074292 Moscow TASS in English 0726 GMT 17 Jan 92

["Press Review"—TASS headline]

[Text] Moscow January 17 TASS—Today's newspapers comment on the results of the meeting of the leaders of Commonwealth states in Moscow on Thursday [16 January].

The meeting discussed a wide range of issues included in the agenda at the proposal of Russian President Boris Yeltsin.

Newspapers also carry reports about the Russian parliamentary session and Yeltsin's report on his economic reform.

Among other issues, the Commonwealth leaders discussed the future of the Armed Forces.

The newspaper KRASNAYA ZVEZDA publishes an interview with economist Grigoriy Yavlinskiy, in which he speaks about the status of the Armed Forces.

"The Armed Forces of the former Soviet Union should have the status of political immunity".

Russian Vice President Aleksandr Rutskoy told the newspaper PRAVDA that the latest development and decision concerning the Armed Forces may lead to their full ruination.

Newspapers also report on the situation in Georgia, which aggravated after fugitive President Zviad Gamsakhurdia returned to Sukhumi and called on his supporters to begin a civil war in the republic.

International Affairs

Yeltsin 'Expected' To Hold Talks With Bush

LD1701111292 Moscow TASS in English 0837 GMT 17 Jan 92

[By TASS correspondent Vladimir Matyash]

[Text] Washington January 17 TASS—U.S. President George Bush is expected to hold bilateral talks with Russian President Boris Yeltsin when the two leaders attend a special meeting of the U.N. Security Council later this month, according to a White House spokesman.

Yeltsin has already agreed to attend a Security Council meeting on January 31 and Washington is now considering inviting him for further talks to Washington on February 1, Roman Popadiuk told reporters on Thursday [16 January].

However, neither the Bush administration, nor Russian authorities can say definitely whether the meeting will take place, Popadiuk said.

The sides are expected to discuss the Russian economy, the republic's relations with other nations in the Commonwealth of Independent States, the ratification of the START and CFE treaties, relations between the Commonwealth and NATO, and Russia's role in international affairs, including at forthcoming Middle East talks in Moscow, according to the spokesman.

In case Bush and Yeltsin meet, they will discuss the results of a tour of Ukraine and Belarus by a U.S. delegation led by Under Secretary of State Reginald Bartholomew. U.S. officials are now visiting the two republics to discuss control over nuclear weapons and compliance with international agreements signed by the Soviet Union.

May Meet Major on London Stopover

OW1601190192 Moscow INTERFAX in English 1715 GMT 16 Jan 92

[By Mikhail Mayorov and Igor Porshnev; from "Diplomatic Panorama"; transmitted via KYODO]

[Text] According to DP [Diplomatic Panorama] sources, on January 30, on his way to New York, President Boris Yeltsin will make a stopover in London.

By agreement with the British side, within the framework of his one-day visit to Britain, he will meet with British Prime Minister John Major.

The two sides are expected to discuss bilateral relations, as well as the international issues which will figure in the agenda of the UN Security Council.

Possibilities of French Treaty Explored

OW1601190392 Moscow INTERFAX in English 1715 GMT 16 Jan 92

[By Mikhail Mayorov and Igor Porshnev; from "Diplomatic Panorama"; transmitted via KYODO]

[Text] The Russian Foreign Ministry informed IF [INTERFAX] that so far the date of Boris Yeltsin's first official visit to France as the Russian president had not been coordinated with the French side. It is not ruled out, however, that his visit will take place in February.

According to preliminary information received from diplomatic sources, the Russian and French presidents will concentrate on the current situation in the former Union and on prospects facing the Commonwealth. The Russian Foreign Ministry believes that the forthcoming talks will "lay a new foundation of Russian-French relations." In view of this, a new bilateral political treaty is being drafted with due account taken of the document signed by France and the former Union.

Russian diplomats find it necessary to review some of the outdated provisions of the old treaty on cooperation. They told DP [Diplomatic Panorama] that the new treaty would "retain the positive aspects of the previous treaty", but go further and be more compact." [quotation marks as received] "It is expected to provide a political foundation for Russian-French relations," a diplomat said.

As far as trade and economic contacts go, one should concentrate on action rather than on new agreements, the Russian Foreign Ministry believes. Despite that, according to DP sources, a number of major agreements are being drafted which are expected to be signed during Boris Yeltsin's visit to France. The Russian Foreign Ministry also gave to understand that it reckoned on France's consent to extend new loans to Russia, thus giving a new impetus to the current credit mechanism.

TASS Rounds Up Foreign Ministry Briefing

LD1701000992 Moscow TASS in English 2244 GMT 16 Jan 92

[By TASS diplomatic correspondents Aleksey Luzin and Sergey Petukhov]

[Text] Moscow January 17 TASS—During the Estonian visit of Russian Foreign Minister Andrey Kozyrev, an agreement has been reached to hold Russian-Estonian negotiations on the protection of rights and interests of the Russian-speaking Estonian population, and Estonians living in the Russian Federation, Russian Foreign Ministry spokesman Vitaliy Churkin told a briefing on Thursday [16 January].

A joint communique on visit results stressed the need for withdrawal of troops of the former Soviet Union on the

stage-by-stage basis with due account of mutual security and social problems, said Churkin, commenting on Kozyrev's trip.

The Russian-U.S. consultations on military issues are under way in Moscow. In accordance with an agreement, the sides exchanged information on the fulfilment of counter initiatives on nuclear disarmament.

Russia submitted data on measures to eliminate tactical nuclear arms and lifting of combat readiness from a part of strategic offensive weapons. The U.S. side produced additional information as well.

The consultations discuss nuclear safety, including the elaboration of safe and ecologically-responsible technologies, storage and transportation of nuclear ammunition and ways of utilization of nuclear charging devices.

Commenting on the results of the visit to Russia trip of Deputy Indian Foreign Minister Jyotindra Nath Dixit, Churkin said the sides confirmed their intention to complete preparations of the Russian-Indian treaty on friendship and cooperation to be a solid legal basis for consolidation and renovation of diverse mutually beneficial relations between the two states.

Churkin informed the briefing on the schedule of a Moscow working visit of British Secretary of State for Foreign and Commonwealth Affairs Douglas Hurd to begin on January 20.

The spokesman said an organizational meeting to prepare multi-sided negotiations on the Middle East, to involve foreign ministers of over 30 states and representatives of international organizations, will take place in Moscow between January 28 and 29. Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State James Baker will be co-chairmen of the Moscow meeting.

[Moscow TASS International Service in Russian at 1430 GMT on 16 January in a related report adds: "The United Arab Emirates will take part in the multilateral Arab-Israeli talks on the issue of a Middle East settlement, which are to start on 28 January in Moscow. This was learned today after Russian Federation Ambassador Konstantin Kharchev met with officials of the UAE Ministry of Foreign Affairs in the UAE capital."]

U.S. Disarmament Talks Begin

LD1601203292 Moscow TASS in English 1903 GMT 16 Jan 92

[By TASS diplomatic correspondents Aleksey Luzin and Sergey Petukhov]

[Text] Moscow, 16 Jan (TASS)—The Russian-U.S. consultations on military issues are underway in Moscow, Russian Foreign Ministry Spokesman Vitaliy Churkin told a briefing here today.

The U.S. delegation, headed by Under Secretary of State Reginald Bartholomew, came to Moscow on Wednesday [15 January] to continue regular consultations on topical issues of nuclear disarmament and security, Churkin said.

In accordance with an agreement, the sides exchanged information on the fulfilment of counter initiatives on nuclear disarmament put forward in autumn of 1991. Russia submitted data on measures to eliminate tactical nuclear weapons and lifting combat readiness from a part of strategic offensive arms.

The U.S. side gave additional information as well.

An important item on the consultations' agenda is nuclear security, including the elaboration of safe and ecologically-responsible technologies, storage and transportation of nuclear ammunition and methods of utilization of nuclear charging devices. A special working group has been set up to consider these issues in detail.

Churkin recalled that the U.S. Congress has allocated 400 million dollars for technical assistance to Russia's elimination and utilization of nuclear charges. In this connection, Russia has made concrete proposal on the possible use of the U.S. technical assistance within the framework of this initiative.

Consultations are constructive and confidential, which is characteristic of the relations of partnership between the two states. The discussion results will, doubtlessly, contribute to better understanding of the sides' stands on nuclear disarmament and joint progress in the solution of this responsible task, said the spokesman.

He also informed the briefing the U.S. delegation will go on tour to Kiev, Minsk and Alma-Ata on January 17.

Kozyrev Talks With Genscer on CSCE Issues

PM1701112392 Moscow IZVESTIYA in Russian 17 Jan 92 Morning Edition p 5

[Yevgeniy Bovkun and Maksim Yusin report: "Bonn-Moscow: Dialogue Between Partners. The Results of the Russian Foreign Minister's Visit to Germany"]

[Text] Foreign Minister Andrey Kozyrev's visit to Bonn was his first visit to Germany following Russia's declaration of independence.

"My strongest impression of the talks in Bonn was an awareness of how smoothly and painlessly Russia has become involved in international politics. FRG Foreign Minister Genscher and I immediately moved on to a discussion of specific issues. It was a discussion between partners and allies," Kozyrev said, summing up the trip in an interview with journalists on board the airplane.

Bonn Tried to Enlist Russia's Support in a Dispute with Britain and the United States

The immediate pretext for the Kozyrev-Genscher meeting was the need to coordinate the Russian and German positions on the eve of the 30 January CSCE foreign ministers' meeting in Prague. According to members of the Russian delegation, the FRG is worried that the Prague conference will clash with the UN Security Council summit-level session in New York. For Genscher, who is chairman in the CSCE, this is a fundamental question. If world attention is drawn to the New York session, Germany's international prestige could suffer; it is not a member of the Security Council.

At the same time, it is on the Security Council that Britain, the initiator of the New York summit, and the United States prefer to place the emphasis. Both Major and Bush would like to bolster their recently shaken prestige at home with a successful foreign policy move. This is becoming particularly topical on the eve of the elections that are coming up in both countries

Russia and France, which are permanent members of the Security Council, are to some extent becoming arbiters in the "battle of the giants." On 8 January, when Kozyrev telephoned Genscher, the latter somewhat unexpectedly invited his Russian colleague to Bonn. As a result of the ensuing exchange of opinions, it can be assumed that the German minister came away satisfied with Moscow's position. Kozyrev confirmed that he would definitely go to Prague and take part in the first day of the session. He will fly out to New York to catch up with Yeltsin 31 January.

Will the Asian Republics of the Former USSR Join the CSCE?

In all probability, the question of the republics of the former Union joining the CSCE will be raised at the Prague meeting. There are two possible approaches. Russia and Germany support the idea of all 12 republics' participating in the European process, including the Asian ones. "The Soviet Union assumed the commitments connected with joining the CSCE on behalf of all the republics. Consequently, they are all its successors to a certain extent. Furthermore, we are relying on the CSCE principles and the commitments they entail to promote the development of democracy and the observance of human rights in the republics of the former USSR," Kozyrev said in the conversation on board the airplane.

However, not everyone in Europe shares this attitude. Many people believe that accepting the Asian republics into the CSCE would not only erode its geographical limits but would also cast doubt on the consensus principle in resolving important questions of world policy. Doubts are arising as to the democratic nature of the regimes in power in a number of Muslim republics. Azerbaijan, Uzbekistan, and Tajikistan are most frequently mentioned in this connection.

There is no real certainty, either, that the republics in question will want to be part of the European process. For entirely understandable reasons, some of them would prefer to gear themselves to their Asian neighbors—primarily Turkey.

Ministers devoted a great deal of attention at the talks to three topics: the future of Soviet nuclear weapons, the problems of humanitarian and other aid to the CIS [Commonwealth of Independent States] republics, and the position of Russian Germans.

The breaking up of nuclear jurisdiction between the republics is what alarms Bonn most of all. Until all CIS members ratify the Treaty on the Nonproliferation of Nuclear Weapons and place them under strict international control, there is a danger that the missiles may become a means of blackmail or the object of trade with third parties.

In this connection, the Bonn politicians have mentioned in private conversations the fact that the former Union leadership had courted Iraq and recent rumors regarding Tajikistan's intention to export nuclear technology.

Kozyrev and Genscher arrived at a common opinion on the need to create joint security structures on the continent and the need for close cooperation between East European countries and NATO.

During the talks, the ministers broached the subject of the fate of Russian Germans. Speaking at a news conference, Kozyrev confirmed that the question of German autonomy would be resolved by a relevant decree from Yeltsin.

The general impression is that the FRG leadership has reacted calmly to Yeltsin's recent utterances on the problem of the Russian Germans. Genscher did not delve at all deeply into this question. All the indications are that he was satisfied with the explanations he received from Kozyrev.

Further on Trip to Germany

PM1601213192 Moscow IZVESTIYA in Russian 17 Jan 92 Morning Edition pp 1, 5

[Interview with Russian Foreign Minister Andrey Kozyrev by Maksim Yusin en route from Bonn to Moscow in the night of 16 January; "Andrey Kozyrev: The West—The Natural Ally of New Russia"]

[Text] In the airplane on the way back from Bonn in the night of 16 January, Russian Foreign Minister Andrey Kozyrev met with the journalists who were accompanying him on his trip.

[Yusin] The first countries where you have paid working visits following the declaration of Russia's independence have been Estonia and Germany. Why these countries?

[Kozyrev] This reflects the new Russia's foreign policy priorities. Our main diplomatic task is to create favorable international conditions to carry out reforms. For this we need normal stable relations with our neighbors—the former Union republics, including Estonia. As far as Western countries are concerned, these are becoming the natural allies of the new Russia, which is committed to democratic values and a market economy. Germany plays a special role—it is Europe's industrial leader and one of the key EC states. Eighty percent of food aid arriving in Russia is sent by the FRG. Furthermore, head of German diplomacy Genscher is now performing the functions of chairman of the CSCE Council of Foreign Ministers and, since the New Year, Chancellor Kohl has been coordinating the policy of the seven Western industrial powers. A "G-7" summit will be held in Munich in May.

[Yusin] According to certain reports, the question of the Russian president's visit to Munich was broached during your talks in Bonn. What is the likelihood of Yeltsin following in Gorbachev's footsteps and participating in a G-7 conference?

[Kozyrev] It is too early to talk about Boris Nikolayevich's participation. A trip to Munich is not an end in itself. It is important that the Russian president's visit, if it takes place, is not a formality but that it bring specific results so that our interests are taken into account at the "G-7" session as well. We gained Genscher's full understanding on this question.

[Yusin] What decisions do you expect from the UN Security Council session at summit level 31 January, in which Yeltsin will take part?

[Kozyrev] It is quite possible that no historic decisions will be made. But nevertheless the New York session will be an unprecedented event in history. I think that one of British Prime Minister Major's aims in putting forward this idea was to strengthen the international positions of Russia as the successor to the USSR, which was present at the inception of the United Nations.

[Yusin] On 15 January the EC recognized the independence of Slovenia and Croatia. When will Russia take a similar step?

[Kozyrev] This EC decision marks the beginning of an irreversible process. As you know, Russia was not especially active in the issue of the recognition of the Yugoslav republics. It is possible that this was correct, given our specific relations with Belgrade and the Slav factor. But today we cannot ignore the political realities and lag behind our partners in the European process.

[Yusin] What is your frame of mind as you fly back to Moscow and to the Cabinet of Ministers session? Do you not have the feeling that a split has developed in the Russian leadership and that it has widened, particularly since price liberalization?

[Kozyrev] The situation in the country is very serious; it is critical. And yet there is no point in panicking and lurching from extremity to extremity. Reforms cannot bear fruit just two weeks after they are launched. We must give Gaydar's team time to do some work. If the government makes mistakes, it must be criticized. But the criticism must be constructive. Demands for the immediate resignation of Gaydar's team are only exacerbating the situation.

Problems Facing Russian Diplomacy, CIS Viewed

92UF0443A Moscow PRAVDA in Russian
10 Jan 92 p 5

[Article by Yuriy Glukhov: "A Country Without Borders, a Policy Without Reference Points: The Dilemmas of Russian Diplomacy"]

[Text] *Bursting at the seams, the ship of Russian statehood has entered the uneasy waters of international recognition. Russia has taken the Soviet Union's permanent seat at the UN Security Council, having announced itself the legal successor. Even outward attributes have been observed. Russian flags have been raised over Soviet embassies. The president of Russia has taken over the still warm chair of the USSR president, while the Russian minister of foreign affairs has moved into the Ministry of Foreign Affairs high-rise building on Smolenskaya Square.*

One cannot deny that all these steps are timely. There is indeed reason to be in a hurry. A vacuum has emerged in the sphere of international affairs because of the sudden demise of the USSR. This is dangerous.

The world community is concerned over whether we will be able to fulfill the treaty obligations we undertook previously, especially in the area of nuclear nonproliferation, strategic and tactical weapons reduction, and so on. After all, instead of one subject of international law, all of a sudden there are many. How will they behave in the situation of collapse and growing anarchy? Will there not be a temptation to make a bit on the side—by selling nuclear arms, or the secrets of atomic bomb production?

While the world is already sounding an alarm, it appears that we ourselves do not yet comprehend the depth of the transformation we have undergone. At a moment's notice, we have become people without citizenship. The old state no longer exists, while new relations are not yet formalized. Problem of legal protection of Soviet citizens abroad have emerged. This is becoming even more acute inside the Union, with the growing wave of refugees who find themselves outcasts in national republics. Just look at the rejection and alienation to which making the troops take an oath in Ukraine has led!

An incredible situation has emerged: to a considerable extent, Russia has found itself a country without borders. Its border cordons have ended up on the territory of other sovereign states, or simply do not exist, having been taken under local national jurisdiction. Bearing in

mind the conflict situation in many regions, the threat to national security is immense and increases daily.

With the disintegration of the USSR and the republics' declaration of independence, the existing national conflicts have reached a new level. They have become interstate conflicts, and are now much more difficult to resolve. In an environment of nationalist excitement and the invitation "to bite off as much sovereignty as you can," the entire former Union has been turned into a minefield of confrontation.

How is Russia adapting to the new conditions? Will it be able to take its proper place and fill the newly created vacuum? While a certain efficiency is evident in its taking over USSR property rights, the effectiveness of Russian diplomacy—in the area of new interrepublic relations and others—leaves much to be desired.

Well, judge for yourself.

The fabric of the Commonwealth of Independent States [CIS] has turned out to be unstable. It has started showing gaping holes. Meanwhile, the weak but still alive Union has been sacrificed on the altar of the so far ephemeral Commonwealth. This was done by the Russian leadership that even dismissed the results of the popular referendum. Russia's voice was the decisive one. Had it taken a different position, the Novo-Ogarevo agreements would have been in the process of being implemented. Probably with no less success than the Minsk or Alma-Ata ones. At least the Army, transportation, power generation system, space programs, meteorological service, and other all-Union structures—our common wealth—would not have disintegrated.

The need to preserve a union with the Ukraine was pointed out as an explanation for Russia's actions. But in reality the Ukraine is abruptly breaking these ties, destroying the common economic and strategic space. Why has such a gross miscalculation taken place? What is it? Self-delusion? Nearsightedness? Stupidity? It appears that the Russian Supreme Soviet should ask for an answer to this question, for in destroying our state, created over centuries, we find ourselves left with nothing but a pile of broken dishes.

We should not console ourselves with the new propagandist fairy tales of some politicians and journalists, whose favorite cliche is "the Soviet empire," and favorite analogy, a comparison with the demise of the British empire. With this they try in one fell swoop to justify the destruction of the Union and condemn the past. But these comparisons are all faulty. In the USSR there were no imperial relations on the level of peoples; there was no subjugation of one nation by another. Have there been empires where the position of the "colonizers" was worse than that of the "enslaved" nations? At best, Russians were on equal footing with native residents in other republics. Internationalism, mutual assistance, helping the peripheral regions, and mutual enrichment of national cultures are not empty words. During the years of perestroyka real opportunities for a democratic restructuring of the state and strengthening of the existing cooperation between the people have become possible within the framework of the Union. All that needed to be done was not to gag the Congress of People's Deputies after the August events, relegating it to the role of Constituent Assembly.

As to imperial analogies, attentive observers are detecting a return to imperial thinking at the upper level and manifestations of this chronic disease among the currently ruling young democrats—formerly old partocrats. It is they who have buried the center and the Union, presenting everybody with a fait accompli. Taken against the background of a Europe undergoing unification, the process that has begun here resembles a relapse to the Middle Ages, a disintegration into appanage principalities. The same imperial center is being replicated in many copies—except that now it is on the republic, oblast, and rayon scale—with the same attributes of power, the army, the bureaucracy, the special services, and the uniform mentality.

The trouble is, national motives are being used and the broad masses are being stirred. The trouble is, we are losing our bearings in the current events, while our democratic oracles have suddenly fallen silent. So much justified indignation and anger was expressed regarding the "night of the trowels" in Tbilisi. How relatively calmly the bloody massacre taking place in the capital of Georgia is being discussed now! There is something else. With all the differences between them, from the legal point of view the August events in Moscow and the current ones in Tbilisi are phenomena of the same order. They involve the removal of legitimate power. Plus, in both instances the "president's men" were the actors. But one event is qualified as a putsch, while the other is generating a positive reaction.

In the process a dangerous precedent is being created. De facto, the possibility is being admitted of the emergence of some sort of emergency committees (which were condemned, for instance, in the Vilnius events), and of the use of armed—instead of peaceful, constitutional—methods of removing a president who has the popular mandate. If we add to this a propensity for authoritarian methods of government (decrees, clamping down on the soviets), the suppression of dissent (banning the CPSU, persecuting certain media organs), it appears that our homegrown democracy is undergoing rather strange metamorphoses. One does not have to possess special acumen to see that the democrats themselves are laying the groundwork for a potential dictatorship. Whose?

With the disintegration of the USSR, the worst things start happening. The Army becomes politicized—it splits. There is an attempt to subordinate it to the ambitions of nationalist politicians. (Let us not preclude the possibility of adventurers coming on the scene.) From my Beirut experience I know that this is exactly the way the civil war started in Lebanon.

Ukraine, Moldova, and Azerbaijan have already laid claim to their own armed forces. What is ahead? Slugging it out with the Crimea, the Dnestr area, the Gagauz, and Armenia?....

Unfortunately, until now the efforts to liquidate the hot spots have been tentative and have not brought tangible results. Much hope was pinned on the mediating mission of B. Yeltsin and N. Nazarbayev in resolving the conflict around Nagorno-Karabakh and reconciling Armenia and Azerbaijan. But in the final count it turned out to be fruitless, and the situation has not been defused.

I think that it is a mistake to bet on the personal authority of the leaders without taking into account the entire extent of the conflict. Also incorrect, in my opinion, was the decision to recall the all-Union troops from Nagorno- Karabakh without replacing them first with CIS troops. After all, they did play a stabilizing role there. Equally wrong would be the signing of a separate agreement on assistance and defense with one of the parties to the conflict, for instance, one between Russia and Armenia. Only Russia's neutral position may defuse the situation and save the Commonwealth.

The Karabakh tragedy raises the issue of the special responsibility of those politicians who made a political career of pushing the Karabakh issue. A politician should foresee the consequences of his actions, and realize that in these specific conditions the Armenia-Azerbaijan confrontation may only end up in a flare-up of ethnic strife and the exodus of hundreds of thousands of Armenians from Azerbaijan and hundreds of thousands of Azeris from Armenia. Such a tragic example of political career-making is not an exception

One is left with a strange impression in the aftermath of the story concerning the application for NATO membership. Not only because of a typing error that omitted the negation "not." The Soviet Union had already submitted such an application in the past, albeit unsuccessfully. Now times have changed, and it is possible that the Russians will be welcomed into NATO, especially with their Warsaw Pact experience. But that is not the point. I think that none of the CIS member states—if they care about preserving the commonwealth—can afford to unilaterally join any military-political bloc. Judging by all the signs Russia took this step separately, without coordinating it with its partners. What if Ukraine and Kazakhstan do the same? It is possible that the story of the typing error is an attempt to cover up for an unfortunate decision.

Unfortunately, despite flirting with the mujahidin, despite their promises during the Moscow negotiations, a group of Soviet soldiers taken prisoner in Afghanistan still has not been released. As someone who knows this region, I believe that failure was programmed into this. One cannot expect success while ignoring one of the sides in the Afghan conflict—the Kabul government—which is what happened during the first stage. It is hard to count on consensus among the warring, motley mujahidin groups.

Most importantly, the negotiations with the Afghans are being conducted at a time when relations with Afghanistan are being wrapped up. Russia does not represent the same interest for either Afghanistan or Iran as the Soviet Union did. It does not occur to us that Russia does not have a common border with these countries. Inevitably they will give preference to developing relations with their immediate neighbors and Islamic brothers—Turkmenia, Tajikistan, Uzbekistan, Azerbaijan, and Kazakhstan. It lies ahead for Russia to work out a new policy toward the East and its positions on regional problems.

Among other Russian foreign policy actions, let us pause on the diplomatic precedent that has emerged in connection with the "Honecker affair." Let us pause here because many Russian leaders hurried to jump on the bandwagon of extraditing this German anti- Nazi. In my opinion this is another version of repeating an old story that for some reason has not taught us anything.

After the victory of Iranian revolution, the United States refused shelter to the shah of Iran, brought down by Khomeyni and already dying from cancer. The shah found asylum in Egypt and eventually died there. However, the tail-wagging and the ruthless pragmatism toward a fallen ally are not always seen benevolently. Relations between the United States and Iran still have not been normalized.

I would rather be wrong, but much like its washed-out borders, Russia's foreign policy has also lost its reference points. The all-Union signposts are too old. The new ones are not there yet. In any case, the Russia foreign policy agency occasionally resembles an auction, a liquidation sale. They have declared their willingness to sell the debt owed to us by developing countries. They are also writing off "reduced-value leaders," dealings with whom may undermine their standing in the eyes of the West. Among these are F. Castro, Kim Il-song, Najibollah, Saddam Husayn, and M. al-Qadhdhafi...The four Kuril islands are hanging in suspension awaiting the haggling with the Japanese; and so on. In short, we are retreating, especially in the "third world," and even more internal problems are emerging, of which we already have enough.

All in all, we are still facing a bitter period of appraising the new realities and developing a clear understanding of Russia's national interests. A period of shedding illusions. Shedding the noisy euphoria on the occasion of Russian independence. From whom? From ourselves? It is the deliverance from an illusion of a man about to be hanged and believing that the noose thrown around his neck gives him something solid to hang on to. As soon as the solid ground of the Union was kicked out from under our feet, the saving rope of national sovereignty turned

out to be a garrote, a noose of self-isolation and economic, financial, and customs wars. We still have to come to an understanding that with the loss of the Union, Russia has been relegated to the club of second-class countries, and debtor-beggar countries at that. The same fate has befallen other Union republics.

Will we draw appropriate conclusions? For instance: The more operational and proven all-Union structures we preserve within the framework of the Commonwealth, the better it will be for all our peoples. It is hard to tell. Making the right decision will make the difference between whether the Commonwealth becomes our common safe home or, as happened in Lebanon and Yugoslavia, facing a war of everyone against everyone else.

Onset of 'Glasnost' in CIA Examined

PM1601141792 Moscow IZVESTIYA in Russian 15 Jan 92 Morning Edition p 7

[Aleksandr Shalnev report: "Glasnost in the CIA. U.S. Intelligence Intends To Declassify Many Documents"]

[Text] New York—CIA Director Robert Gates has received recommendations presented to him by a group of experts who, for the last two months, have been studying the question of whether the department at Langley can permit itself openness and if so, to what extent.

The experts, who are themselves CIA staffers, reached the conclusion that a certain openness would benefit intelligence and recommended the declassification of a whole mountain of documents, some of which go way back to the time of World War I, when the CIA did not even exist.

The other recommendations submitted by this group include, according to a NEW YORK TIMES report, the following: High-ranking CIA staffers must communicate with the public more often—deliver speeches and lectures, give interviews more freely, and take part in all manner of hearings arranged by various Congressional committees. It was also recommended that the production of CIA printed matter be expanded for wide usage—in addition to the currently published maps, factual reference aids, and economic reports.

Let me note that the CIA prepares, publishes, and distributes by subscription collections of the most interesting materials being printed or broadcast by radio and television in virtually all the world's countries. The collections of materials from our press were renamed literally the other day: Now they are no longer called "Daily Report, Soviet Union" but "Daily Report, Central Eurasia." As before, IZVESTIYA items are widely represented in these selections which, incidentally, are highly valued by regional studies specialists.

The motives behind the CIA's desire for glasnost are prosaic. In a situation when, as THE NEW YORK TIMES writes, "the historical adversary has ceased to exist," the CIA must utilize any means to justify its billion-dollar expenditures. The department at Langley, let me remind you, is not the most voracious of the approximately 15 intelligence services that the U.S. Administration has at its disposal, with a total of approximately $30 billion spent annually on their maintenance. The classified budget of the CIA, which has an establishment of about 20,000 people, is estimated at approximately $10 billion. Incidentally, by all accounts the intelligence budget will simply not be made public—even under the new policy of "glasnost" on which Gates must decide in the next few weeks.

If the recommendations are approved, it is estimated that millions and millions of pages of documents will become the property of glasnost. As yet, however, it is not altogether clear what the basic criterion for declassifying materials will be. Or, for example, the length of the limitation period on them. Some researchers suspect that "glasnost" will prove to be purely cosmetic: Everything more or less important will remain under lock and key, while what is already well enough known will be made public.

There are experts who are even against this. James Schlesinger, former CIA director and former secretary of defense, believes that "intelligence must remain a secret department, there cannot be a great power without this, and the thirst for openness is an anomaly."

The group of experts' recommendations also affect relations with journalists. They will not undergo substantial changes: Permanent accreditation to the CIA—as distinct from the Department of State, the Pentagon, and the White House—will not be issued. CIA staffers will continue to be prohibited from making any unsanctioned communication with journalists. These are the restrictions on U.S. journalists. As for foreign journalists—just like before—they will not be honored even with a briefing.

More Inquiry Material Promised on Embassy Bugs

PM1501090192 Moscow ROSSIYSKAYA GAZETA in Russian 14 Jan 92 First Edition p 3

[Andrey Zhdankin "Journalist's Investigation": "'Black Hole' for Documents"]

[Excerpts] The newspapers widely informed readers about Vadim Bakatin's last "act" in the post of head of the Interregional Security Service (the former USSR KGB). Let us remind you that he handed over to U.S. Ambassador Robert Strauss the technical documentation on the equipment for bugging the new U.S. Embassy building in Moscow.

Bakatin himself fully confirms the fact of the handover but regards it as something like a good-will gesture, evidently in the spirit of the "new thinking." But this "gift" plunged professionals into a state of shock. Justice Major Aleksandr Tsopov, chairman of Moscow City

Soviet Subcommission to Combat Crime, sent the Russian general prosecutor a statement demanding that criminal proceedings be instituted against Bakatin. The deadline for replying to the deputy's appeal expired 2 January, but there is still no reply.

Right after the peacemaking gesture the Russian Federal Security Agency began an official check on the fact of the handover of information constituting a state secret. The decree of the Russian Federation's president amalgamating the state security and internal affairs organs halted that process.

ROSSIYSKAYA GAZETA decided to inquire into the state of the "case of giving away a state secret" and conducted a mini-investigation. We telephoned the Russian Federation general prosecutor's receptionist. We were told that he had sent V. Barannikov, minister of security and internal affairs, two instructions to run official checks. The object of the first was Bakatin's "gift," and that of the second was the information published by many newspapers that files on corrupt top militia officials in the former KGB were destroyed following the decree on the amalgamation of the two power structures. [passage omitted]

Returning from a business trip, Anatoliy Lyskov, Barannikov's assistant, reported yesterday that the first document—on conducting a check "on Bakatin"—has at last arrived; the second document about lost files on corrupt militiamen has not come. True, copies of the original documents did arrive a little earlier, but, under ministry regulations, it is not proper to submit copies of original documents to the minister. After numerous telephone calls to the former USSR KGB, I managed to ascertain that Barannikov did, nonetheless, give instructions to Anatoliy Oleynikov, his first deputy for state security, to run a check on the possible divulgence of a state secret. According to Security General Aleksandr Karbainov, the check was conducted and no divulgence of a state secret was perceived. ROSSIYSKAYA GAZETA will report in greater detail on these checks in its next few issues.

Political, Defense Accords Signed With India

BK1501163092 Delhi All India Radio Network in English 1530 GMT 15 Jan 92

[Text] India and Russia have finalized a new political treaty at the end of the three-day talks between their high-level delegations. Official sources in Moscow said today that they have also signed memorandums of understanding on trade and supply of defense and power generation equipment.

The political treaty contains elements of the 1971 Indo-Soviet Friendship Treaty, while the memorandums of understanding have been structured to allow flexibility to adjust to the changes of the economies of the two countries.

MiGs Spare Parts Supply to FRG Diminished

PM1601152192 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 2100 GMT 14 Jan 92

[From the "Novosti" newscast: Report by V. Kondratyev and V. Agayev]

[Text] [Kondratyev] In the FRG, many politicians are demanding that the so-called fighter of the nineties be scrapped. They suggest U.S. fighters and our own MiG-29 as a cheaper alternative. But by all accounts, our chances are diminishing. The Bundeswehr obtained planes of this type from the former GDR Armed Forces. The planes are not bad, they think, although they do not match the American planes for maneuverability, fuel economy, electronics, and ease of operation. But even that is not the main problem. Out of 24 MiGs in the FRG, only six are still flying. The rest are grounded. We are breaking our agreements by not supplying spares. Things are so bad that Russian Air Force Commander Petr Daneykin [as heard] is coming to Bonn at the German side's request, bringing with him several boxes of spares for the MiGs.

Federation Affairs

Yeltsin Cancels Decree, Appoints Ministers

LD1701115492 Moscow TASS in English 1120 GMT 17 Jan 92

[By CRIME-PRESS correspondent Olga Semyonova]

[Text] Moscow January 17 TASS—Russian President Boris Yeltsin cancelled on Friday [17 January] his own decree, signed last December 19, on the merging of the Russian Interior Ministry with the republican state security bodies (former KGB).

The Russian Constitutional Court ruled on Tuesday [14 January] that the creation of a joint ministry violates the republican Constitution. The presidential decree "contradicts the division of the legislative, executive and judicial powers, introduced by the Russian Federation, as well as the principle of dividing governing functions between the supreme bodies of state power and management", the court ruling said.

Also on Friday, Yeltsin appointed Viktor Yerin, as Russian interior minister, and Viktor Barannikov, as director of the Russian Federal Security Agency, CRIME-PRESS learned from reliable sources. Yerin was first deputy interior minister, while Barannikov was former interior minister.

Yeltsin on Aid Problems, Gorbachev Future

LD1601165392 Moscow TASS International Service in Russian 1338 GMT 16 Jan 92

[By TASS correspondent Viktor Chistyakov]

[Text] Bonn, 16 Jan (TASS)—"I usually sleep no more than four or five hours and wake up five to six times a night. And the first thing that always comes into my head is how we can turn the old union into a new society; and the second thing is who might sabotage this process," Russian President Boris Yeltsin acknowledged to a correspondent of the popular German weekly QUICK. In an interview published in today's edition, he said "he is refusing to take into account" that the policy he is trying to implement may fail. If I had not believed in its success, I would not have taken action, said the Russian leader.

In reply to the question of whether Western humanitarian aid is reaching those who need it, B. Yeltsin acknowledged that last year there were many problems. Those to blame for hold-ups, he said, were corrupt Soviet trade organizations, which have now been disbanded. "The new ones, actual Russian organizations, have not yet had time to become corrupt," the Russian president said. He added that during his visit to Germany an agreement was reached that the German side, including Bundeswehr servicemen, would also take part in the delivery of the freight to Russia.

According to Boris Yeltsin, he does not see any room for Mikhail Gorbachev, the USSR's former president, in the new power structures that are being created. "He is a politician of the highest caliber, and it would be tactless to impose anything on him," Yeltsin said.

Yeltsin Spokesman Cited on German Autonomy

Denies Change in Yeltsin's View

LD1501132292 Moscow TASS in English 1237 GMT 15 Jan 92

[Text] Moscow January 15 (TASS)—Russian President Boris Yeltsin has not changed his views about proposals to restore an autonomous German territory in Russia, his spokesman told reporters today.

During a tour of the Volga region last week, Yeltsin told residents in the Saratov region that areas where ethnic Germans do not constitute an overwhelming majority will not be turned into German autonomies.

The statement prompted protests from ethnic Germans in the Commonwealth. They claimed that it was at odds with the previous Russian policy on the issue, last year's bill rehabilitating peoples purged in Stalin years and agreements reached during Yeltsin's recent visit to Germany. Ethnic Soviet Germans last week picketed the headquarters of the Russian parliament in protest of what they called Yeltsin's change of heart on the issue.

The Russian president "adheres to the chartered course, as well as agreements reached on the issue with German Chancellor Helmut Kohl," presidential spokesman Pavel Voschanov said.

The Russian policy on the issue is based on a "three-stage approach to solving the problem" which envisages finding "areas suitable for a compact accommodation of Germans". After Germans settle in these areas and their population grows, the areas will be given "national" status. At the third stage, "the status of national German districts will be changed to form an autonomous territory," Voschanov said.

"Yeltsin's statements during talks with the FRG leaders were in this context. The same position was expressed during the recent working tour of the Volga region," he said.

The spokesman emphasised that the principle of restoring "historical justice to Russian Germans" should not breach the rights of other nationalities in the Volga region.

"No one will be driven out or resettled," he assured.

Clarifies 'Three-Stage' Policy

OW1501154792 Moscow INTERFAX in English 1145 GMT 15 Jan 92

[Transmitted via KYODO]

[Text] The Russian President Boris Yeltsin's stand concerning the issue of ethnic Germans and the agreements on this problem reached with the German Chancellor Helmut Kohl remains unchanged, said the President's press secretary Pavel Voschanov on Wednesday [15 January].

In his statement for the press prompted by some news media allegations that B. Yeltsin had altered his attitude to the possibility of reestablishing the German autonomy in Russia P. Voschanov pointed out that what underlies the measures taken by the Russian leadership is a three-stage approach toward resolving the problem of ethnic Germans:

—To determine the areas in the River Volga basin fit for German diasporas;

—To give such areas the status of ethnic regions as their German population grows;

—To raise the status of areas populated by ethnic Germans up to establishing an autonomous region.

According to the statement, during his talks with the German leadership Boris Yeltsin spoke in this context. He expressed the same attitude during his recent tour of the Volga valley.

The other principle the Russian President has drawn attention to more than once also remains unchanged: the reestablishment of justice toward ethnic Germans in Russia must not be accompanied by violations of justice in regard to the present population of the Volga basin, said P. Voschanov. This is what was said at the recent meeting with the residents of Engels city: no one will be evicted, no one will be deported.

"The President intends to adhere to this stand in his further efforts to resolve this problem", P. Voschanov pointed out.

Court Stands Firm Against Shakray Statements

OW1501222592 Moscow INTERFAX in English 2100 GMT 15 Jan 92

[Transmitted via KYODO]

[Text] Valeriy Zorkin, chairman of the RSFSR Constitutional Court, assured journalists in Moscow on Wednesday [15 January] that the Court's Tuesday [14 January] resolution declaring the presidential decree on the formation of a joint Ministry of National Security and the Interior null and void would not be reversed.

The Constitutional Court resolutely rejected the charges of President Yeltsin's spokesman Sergey Shakhray that the decision in question was "political, rather than juridical."

Mr. Zorkin expressed concern over "attempts to mislead the Court", which he said the leaders of the newly established ministry made when they claimed that the police and security services would merge into one structure only in the center, and continue operating separately in the republics, regions and territories. Remarks made by ministry officials from their seats provided sufficient evidence against claims of that kind.

The Court Chairman stressed the point that the government had failed to duly reply to his inquiries, and that President Yeltsin had left the demand to suspend his decree unanswered.

Asked by IF's [INTERFAX's] correspondent what instruments of pressure on the supreme government bodies would be available to the Court in the event of non-compliance with its resolution, Mr. Zorkin said that there was a variety of such instruments, from a 500-ruble fine to impeachment.

Statement 'A Breach of Law'

OW1701015092 Moscow INTERFAX in English 2139 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] Thursday [16 January] Russia's Constitutional Court described the statement by Sergey Shakhray, state legal councillor, concerning the court decision on the anti-constitutionality of the presidential decree as discrediting.

On Tuesday [14 January] the Constitutional Court annulled Boris Yeltsin's order to set up a Russian Security and Internal Affairs Ministry. Shakhray said on Wednesday that the republican leaders were willing to executive this order. He noted, however, that the court had been motivated by political and ideological considerations. Shakhray's statement is tantamount to a breach of law as an attempt to discredit the court and put pressure on it, says the Constitutional Court's statement.

The court warned that it reserved the right to consider the constitutionality of such statements and actions by officials.

Constitutional Violations Not Cited

PM1601150592 Moscow SOVETSKAYA ROSSIYA in Russian 16 Jan 92 p 2

[Yu. Soltys report: "But Will the Decree Function?"]

[Text] The RSFSR presidential decree dated 19 December 1991 on the formation of the Russian Federation Ministry of Security and Internal Affairs [MSIA] does not comply with the RSFSR Constitution. This decision—which was unanimous moreover—was passed yesterday at an open session of the Russian Constitutional Court, a KRYM-PRESS correspondent informs us.

As was noted in the judicial collegium's resolution, the decree contradicts the "division established by the Russian Federation between the legislative, executive, and judicial authorities, and also the delimitation of competencies between the supreme organs of state power and administration enshrined in the RSFSR Constitution."

The court's decision is final, it is not subject to appeal, and it came into force immediately after it was announced. As a result of this, the presidential decree on the formation of the RSFSR MSIA and "all other normative acts or individual provisions in them that are based on or reproduce it lose their juridical force and are deemed null and void."

But this does not mean that the decree has ceased to function, the KRYM-PRESS correspondent was told by Russian Government Deputy Chairman Sergey Shakhray, who represented President Yeltsin at the hearing. He expressed regret that, contrary to expectation, the Constitutional Court had passed what in his view was a political and not a juridical decision. "The court did not name a single article of the Constitution that had been violated," Sergey Shakhray stressed.

His opponent from the group of people's deputies who lodged the complaint in the court, RSFSR Legislation Committee Chairman Mikhail Mityukov, did not agree with him. "The juridical basis of the court's decision and the constitutional norms that have been violated will be cited later in a relevant resolution," he stated.

Chairman Cited on Constitutional Court's Role

PM1601122492 Moscow KOMSOMOLSKAYA PRAVDA in Russian 15 Jan 92 p 1

[Interview with Russian Constitutional Court Chairman Valeriy Zorkin by A. Malysheva; date, place not given: "The Constitutional Court Itself Will Henceforth Assess Parliament's Laws and the President's Decrees"]

[Text] A cursory opinion poll among delegates to the Congress of RSFSR People's Deputies showed that the majority regard the Constitutional Court as "purely

symbolic." Presumably in the sense that in our country the law is always implemented purely symbolically. Therefore, when the court set about its prescribed task of protecting the constitutional system, this came as a surprise to many, especially when the judges turned their gaze to the decisions of the president himself.

Valeriy Zorkin, chairman of the Constitutional Court, believes that it is possible and necessary to build a Temple of Law even on our virgin soil. I remember when Valeriy Dmitriyevich was being congratulated on his election to the Constitutional Court. More than once on that solemn day he was told that the lawyers' task is to ensure that the economic decisions adopted are cloaked in legal form.

That is what many of today's politicians think. It is not a new view. In any totalitarian system, the law [pravo] is reduced to the level of a means. And that is dangerous, when what you mean by the law is whatever comes from "above."

[Malysheva] Who is the creator of the law, if not the authorities?

[Zorkin] The law is supreme justice. It exists in nature, it is just as much an immutable law of nature as, for instance, the law of gravity.

[Malysheva] Is it possible to disregard the law "temporarily," to substitute revolutionary expediency for the duration of some particularly difficult period?

[Zorkin] History shows that you cannot do that, even for a short time. There are only two paths: the path of law, or the path to dictatorship.

[Malysheva] It is highly likely that in the public consciousness such strict adherence to the letter of the law will be perceived as a hindrance to future prosperity.

[Zorkin] Prosperity has never come before the triumph of the law. And conversely, countries that gravitate intuitively toward a rule-of-law civilization have prospered.

[Malysheva] But is it possible to build a rule-of-law state at a stroke? Maybe you have to get there by stages, building up the legal potential, so to speak?

[Zorkin] By stages, but resolutely and rapidly. A man standing on the brink of a precipice cannot allow himself the luxury of drawing back from the brink millimeter by millimeter.

[Malysheva] So you are trying to stop the people from falling over the precipice?

[Zorkin] That is the main task of the Constitutional Court. The very existence of this body is a guarantee of public security. We should and must protect the borders of the legal ground beyond which lie the abyss, the precipice, perdition.

[Malysheva] You will give warnings—here is the limit, you can go no further. But it is well known that even laws are not fulfilled in our country. So what likelihood is there that anyone—especially anyone with power—will pay attention to your warnings? And are you not afraid that the people themselves will not allow you to correct mistakes by the people's president?

[Zorkin] You could add a few more questions: Who will defend the Constitution, who will defend the law? If a decision of the Constitutional Court is ignored, that is an unconstitutional act. If the court is abolished, that is the overthrow of the constitutional system.

Naturally, man has free will and strength. He can reject the law, and in that case you have a crime, an act of tyranny. The path of tyranny can be followed by a single individual or by an entire people. The people of Germany, for instance, rejected the Weimar constitution and entrusted their fate to a clearer oracle. It did not bring them happiness.

[Malysheva] You have taken on the mission of protecting the Constitution. Yet it is being said increasingly insistently that we have no Constitution. What precisely are you protecting?

[Zorkin] We have a Constitution. True, it is not complete, not all-embracing, it is contradictory. It takes a strange form—one sleeve is cut from a medieval caftan, the other from a modern business suit. But even this must be observed, until a new one is adopted.

At the same time, the adoption of a new Constitution certainly cannot be postponed. If our supreme law was sufficiently full and all-embracing, we would not need such a vast quantity of presidential decrees.

Burbulis Holds News Conference at White House

Cited on Monetary Reform

LD1601201992

[Editorial Report] Moscow Mayak Radio Network in Russian at 1520 GMT on 16 January carries a six-minute report on the news conference held by Gennadiy Burbulis in Moscow on 16 January. Burbulis states that the government understood deputies' criticism at the 16 January Supreme Soviet session. He says the government is open to any constructive criticism. He adds that today's Supreme Soviet session was necessary for the government. Preserving the fundamental part of its program, the government will work on some of it, especially taxation policy, Burbulis continues.

Replying to a question from a NEZAVISIMAYA GAZETA correspondent on whether the incident involving the government and the Supreme Soviet concerning Khasbulatov's remarks was resolved today, Burbulis says yes, it has been resolved. In response to a question as to whether the people have confidence in the government, Burbulis says he is convinced people trust

the government and understand the difficulties. Yeltsin's trips to the Volga region, Bryansk, and St. Petersburg show this, as does information provided by polls.

Another question deals with a decree dismissing some leading figures that Yeltsin signed with a stroke of the pen. Burbulis is asked whether this is a new form of leadership or authoritarianism. Burbulis says this was not authoritarianism and that a draft law on the violation of laws, decrees, and decisions is being prepared. He adds that this will be a serious way of dealing with managers. As for such disciplinary measure as firing, Burbulis adds, this was abandoned long ago, although it might make sense if it were to be reintroduced, but the main thing is to provide incentives.

In response to a question on monetary reform, Burbulis says:

"We are being absolutely frank in saying that at the moment our policy is not aimed at introducing our own currency or at blocking the activities of the Commonwealth states who put forward these types of initiatives. But it would have been absolutely out of place if we were to carry out reforms—I am being totally honest—without preparing ourselves for the worst. This is what I can tell you. If we said that we do not envisage the need for this worsening in the course of one and a half months, this is the way it will be. But please, try to understand us as well. We must think about what will happen if tomorrow or the day after tomorrow other republics seriously introduce their own currency. Or what will happen if we detect some uncontrollable ruble influx. At the moment, in principle, we can clearly see all sorts of inflows: from the printing presses, inflows and outflows via banks, and the inflows from the shadow economy that is so difficult to discern, and so forth.

"I say once again that if this necessary measure is endured, then we will, first and foremost, try to tell people about it. However, from the point of view of economic methods this is insane. But it was also insane, or rather it was assessed as being insane, when Boris Nikolayevich announced price liberalization. But, above all, we proceeded from the fact that none of the reformers can just follow patterns, even if they were used before; they must work within the framework of real human psychology. Anyway, we understand economy not in the terms of things, resources, currency, and their movements, but in terms of people's interests and their motivation. We are convinced it would have been useless to try to carry out reforms in Russia ignoring the mentality and the human details that we have. It is the same case here. Regarding monetary reform, we shall be forced—to be quite honest, if people insist on taking an extreme position on this—to opt for printing our own money."

Liberalization Talks 'Constructive'

LD1601185392 Moscow TASS International Service in Russian 1536 GMT 16 Jan 92

[By TASS parliamentary correspondents Tamara Zamyatina and Ivan Novikov]

[Text] Moscow, 16 Jan (TASS)—The present Russian Government will work for as long as Boris Yeltsin is absolutely at one with his cabinet and until economic reform becomes irreversible, First Deputy Prime Minister Gennadiy Burbulis stated at a news conference at the White House today.

Summing up the results of discussions that took place in the Supreme Soviet on the socioeconomic situation in Russia in connection with price liberalization, the first deputy prime minister noted the constructive nature of the discussion. In his words, at the advice of a number of deputies, the government intends to carry out a correction of monopoly structures in production and trade. The observation voiced on the need to conduct government work on the basis of social partnership with trade unions and political parties "however small their representation might be" has also been described as useful.

As for the Russian president's proposals to drop the VAT [value-added tax] rate and drop extra charges for trade, Gennadiy Burbulis said this "is a task that needs additional work."

Cited on Armed Forces

OW1701015192 Moscow INTERFAX in English 2139 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] The Russian Government "does not depend on assessments of its activities," First Vice Premier of Russia Gennadiy Burbulis stated at a news conference Thursday [16 January]. "We have been and will be working as long as Boris Yeltsin supports actions of the Cabinet and the reform becomes irreversible," he added. Burbulis described the Thursday joint meeting of the parliament and government as "indispensable", noting that it would permit to take into account criticism by the deputies, to introduce amendments to tax benefits and to strengthen struggle against monopolism in trade and production.

Burbulis confirmed the government's readiness to fulfil Yeltsin's promise to lower value-added tax and maximum extra charges from 25 to 6-8%.

In the near future the government plans to push reforms in the regions where trust in local authorities is weak. In late January it will consider qualifications of some local officials for their posts.

Burbulis denied rumors about the government's plans to introduce national currency at least within the next month and a half and about Russia's attempts to prevent the republics from introducing their own currency. However, if "tomorrow the republics really introduce national currencies and we face uncontrolled flows of rubles", the government will take measures to introduce the Russian ruble, Burbulis noted.

Speaking about the meeting of the Commonwealth nations' prime ministers, Burbulis said that it was

prompted by urgent military and political problems, in particular, by the course of the implementation of the bilateral economic agreements between the Commonwealth republics. The Commonwealth prime ministers discussed the Russian delegation's position at the Security Council meeting and the legal status of the military.

Touching upon the upcoming Officers' Conference, Burbulis pointed out that it could stop further destabilization in Army units. Officers are in favor of a single army, he said. An overwhelming majority of the Commonwealth leaders are also interested in the unity of the Armed Forces. Burbulis said Russian President Boris Yeltsin is expected to deliver a speech at the Officers' Conference tomorrow in the afternoon.

Further on Defense Ministers' News Conference

LD1601225292 Moscow Radio Moscow in Portuguese to Portugal 2200 GMT 15 Jan 92

[Report on a news conference given by Dmitriy Volkogonov, military adviser to Russian President Boris Yeltsin, on 15 January; place not given; Volkogonov's recorded remarks, in Russian, fading into Portuguese translation, are contained within quotation marks]

[Text] What will be the future of the former Soviet Union's Armed Forces? This was the topic of a news conference given on 15 January by Dmitriy Volkogonov, military adviser to the Russian president.

[Volkogonov] "I will express my point of view regarding the future of the Army. I believe one of the causes for the difficulties, particularly those concerning the Black Sea Fleet, is above all the lack of agreement on many basic questions which should probably have been resolved by the heads of state and heads of government meetings in Minsk, Alma-Ata, and other places, and at other levels. I believe the main issues which should be resolved, and which can still be resolved, are related to the united strategic armed forces. An agreement in principle on this matter exists; however, it is necessary to define the number of men, their location, the funding, the organization, and the technical supply system of the united armed forces, as well as a series of other matters."

In his opinion, until these issues are resolved, a transition period of 18-24 months will be necessary, during which the existing armed forces' structures will be maintained. Without this period of transition, unilateral decisions made by some states on military matters could provoke a reaction from other states. Today this is highly undesirable.

Dmitriy Volkogonov believes that the republics should also think of obtaining a definitive treaty, similar to NATO, coordinating all pending issues. With regard to his view on the future united strategic armed forces, Volkogonov said:

[Volkogonov] "The united strategic armed forces could keep 45-55 percent of the current armed forces. This would include not only the nuclear forces, but also the Navy, the Air Force, the space troops [as heard], the techno-nuclear forces, special forces, etc. I believe the process of the formation of the united armed forces should be accompanied by a reduction of the Army. I believe that with time the united armed forces could comprise at the most 1.5 million men. It should be noted that this should be a highly professional army. Simultaneously, if the republics so wish, small national armed units could be created."

To conclude his address at the news conference on the problems of the Armed Forces of the Commonwealth of Independent States, Volkogonov stressed:

[Volkogonov] "It is not necessary to rush into anything. What is necessary is a series of talks. I believe this is the only way to prevent attrition, conflicts, and tension."

Warns of 'Neofascism'

LD1601235492 Moscow Mayak Radio Network in Russian 0137 GMT 16 Jan 92

[Text] There is increasing talk in the country about the possibility of a military coup. Rumors are spreading. There was a question about this at a news conference held today by People's Deputy General Dmitriy Antonovich Volkogonov, adviser to the Russian president. Let us listen to his opinion.

[Begin Volkogonov recording] I think that at present a military putsch is out of the question. But there is a different danger—and the prerequisites exist for this. The situation in the country, in Russia, is indeed extremely difficult and hard. A large number of mistakes have been committed, and Comrade Khasbulatov was right when he said mistakes have already been committed by the new government, although I do not think it is necessary to drive it from Mt. Olympus immediately. I think that Gaydar, too, was correct when he said it is difficult to do anything immediately in ten days or two weeks. But there are already many questions that indicate a number of considerable miscalculations in the economic reforms.

My opinion is that at present we do not need new programs. We need to implement the latest program; perhaps introduce corrections and changes and so on, but we must move forward. Any hesitation now, any search for a new solution, for a new program, a new strategy, will be a catastrophe.

In these conditions the greatest danger is this: if millions of people come out onto the streets. This is not out of the question, because over half of the population is in a state of poverty. And I, for example, cannot look without a shudder at the old people who drag themselves along with empty purses. It makes me feel very bad. If millions of hungry and impoverished people come out onto the streets there will without doubt be people who will channel this into a definite direction. This may begin totally spontaneously but this spontaneous explosion may be exploited by people

whom a year ago I named as neofascists. Russian neofascism really can happen. I do not wish to name names now. I said at the beginning that we can already sense the foul stench of this neofascism breathing down our necks. It must not be underestimated.

Of course, on this basis much that is unpredictable can happen. Therefore, on the one hand it is necessary, it seems to me, to have more common sense and rationality in the government's actions, more help for the impoverished, more patience from us, although the people of Russia have always been noted for this. Because I, personally, think we shall not pass the low point of the crisis before autumn, not earlier. If we can tolerate things this long, if our people can stand this very difficult situation, I believe the plan's provisions, the plans of the Russian leadership, will begin to be implemented.

But it is necessary to have belief because there must not be just the rational element. Belief—which the Russian people have always strongly held—should also play perhaps the decisive role in this critical moment for our country. [end recording]

Rutskoy Interviewed on Possible Unrest

OW1701112292 Moscow INTERFAX in English 1030 GMT 17 Jan 92

[Interview with Vice President Aleksandr Rutskoy by unidentified correspondent; date, place not given; from "Nation & Society"—transmitted via KYODO]

[Text] At the beginning of January, Russian Vice-President went into the hospital. Nevertheless, he agreed to answer a few questions put by an IF [INTERFAX] corrspondent. Here is the interview:

[Correspondent] Did you plan to go into the hospital in advance or is it a kind of stratagem to avoid attacks on you?

[Rutskoy] You know, I've had no holiday for three years, and I have practically no chance to have any now. So I thought over a month ago that I'd just go into the hospital for a while, simply to have my health checked. After all I've been under tremendous nervous strain for the past year and have had more and more work to do, all of which is bound to affect my condition—this on top of my having been through Afghanistan. I was a pilot there and was shot down on two occasions. I had to bale out both times, and for the first time, in 1986, at a pretty low altitude, too.

As for attacks on me, I've never been trying to dodge any, and will never do so in future. My policy is to try and defend those who have elected me, and I'm not going to change it, least of all for opportunist reasons.

[Correspondent] You criticise the present-day state of affairs in Russia, describing it as anarchy or chaos. But have you got a programme to improve the situation? What are you planning to do to help people?

[Rutskoy] Yes, I do criticise the state of affairs here, because what's happening in Russian politics and economics these days doesn't have much to do either with democracy or with market reforms.

We have really embarked on a new experiment, which is based on the wholesale rejection of the past and the experience we have accuuulated. You can't change the political and economic systems of any state overnight, least of all of a country like Russia, which didn't have a trace of market economics for about seventy years.

As for helping people, I'm not issuing slogans, I'm trying to give them practical help instead. In particular, I'm trying to do what I can to facilitate the conversion of the military industry to civilian production, basically in order to help provide enough machinery for our new individual farmers.

Yes, I do have a fairly concrete programme. Essentially it involves an extensive economic reform which should above all involve privatisation and a monetary reform; all the measures taken should be consistent with each other and it should also be clear who is actually responsible for the implementation of every decision taken.

[Correspondent] Do you think Boris Yeltsin is capable of changing his convictions?

[Rutskoy] I don't think Yeltsin should change his convictions or his position—he is a champion of radical change in our society, of market economics and of democratic rights and freedoms. He is definitely at the head of the forces trying to renovate Russia. It is above all his prestige that makes the Russian people as a whole support the reforms in spite of the growing difficulties.

Of course, some members of the government make statements and take measures on his behalf which he has never authorised, so he sometimes has to make explanations which are often interpreted as change of position.

[Correspondent] What, do you think, were Yeltsin's major mistakes?

[Rutskoy] Well, we're again sticking to the trial and error method in carrying out our economic reforms. We have no clear plan, which, I think, is a mistake. Yeltsin's political prestige can't solve all the problems.

[Correspondent] What do you think Gorbachev is going to do now? Do you think he'll stay in Moscow and live on what is a relatively modest pension or give lectures in America and be paid millions of dollars for them?

[Rutskoy] Mikhail Gorbachev's resignation does not mean he has abandoned politics altogether. I know him and I'm sure he takes what's happening in Russia and other sovereign states to heart. He has rich personal experience and deep political insight. It's to him that we owe all the changes we've had in the last few years.

And, if he does give a few lectures in one country or another, I'm sure he won't do this in order to make a lot of money. He'll do it in order to make his views known to more people.

[Correspondent] Much is being said these days to the effect that the armed forces have very low morale. Do you think this is dangerous?

[Rutskoy] It's true, the morale of our forces is not very high. But what's more dangerous are the attempts to split the forces, the attempts made by some of the republics to bring the forces stationed on their territory under their jurisdiction. Add to that the fact that our servicemen are one of the most insecure social groups. You have to be careful with the armed forces, it's dangerous to treat an armed person as an outcast.

[Correspondent] What, do you think, is going to happen to Erich Honecker in the near future?

[Rutskoy] I think we should be humane to Honecker and let him spend the rest of his life in peace. He's being used for political speculations and shows, which can't have any positive effect anyway. I also think German politicians have more serious concerns than bringing Honecker back to prison'

[Correspondent] Do you think another putsch is possible?

[Rutskoy] I don't think there'll be another putsch—there are no political conditions for any. But there's another kind of menace—spontaneous revolts, because people in many parts of the country are being driven to despair by shallow measures some of which have been taken by the present government. The form of price liberalisation we have introduced has put over 180 million people in Russia beyond the poverty line, and they are sure to remain there for a long time. I therefore fully support the position of the chairman of the Russian parliment, Ruslan Khasbulatov. We need to take urgent social-protection measures, restore elementary order in economic management and impose control over prices for a range of goods defined by the government. In that case we would need a new government each appointment in which should be approved by the parliament, a government which would be trusted by the nation.

Lopukhin Criticizes Foreign Investment Rules

PM1601153092 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 92 First Edition p 1

["In the Russian Government" report by Sergey Nikitin: "Department of Heat and Light"]

[Text] The difficult times being experienced by the Russian Ministry of Fuel and Energy were addressed by Vladimir Lopukhin, the department's chief. The short-staffed ministry, where each employee is doing the work of six, is having not only to restore the management fabric that was lost at the stage of the transfer of power to Russian structures, but at the same time to carry out economic reform.

The New Year increase in energy prices was insufficient. For example, the oil industry—"backbone of the Russian economy"—is now able to finance itself by and large, but there remains a good dozen major associations that are blithely producing "black gold" at a loss. As the minister said, "It is time we all got used to living in an atmosphere of changing prices," but he added that "it is not the levels that are important, but the relative values and proportions."

Vladimir Mikhaylovich advocated the rapid privatization of all his department's enterprises and admitted that the state leaders were largely to blame for the delay in this process. At the same time, he condemned efforts to "hive off" the fuel-energy crisis in an uncontrolled manner. First, the ministry believes, it is necessary to create viable production facilities. In the power industry that means joint energy systems. In the oil industry it means vertically integrated holdings incorporating the entire production chain from geological survey group to gasoline pump. Only such self-sufficient corporations will be able to go public. At the initial stage the state will retain a controlling interest... Incidentally, a special destatization service has been set up at the ministry, with Mikhail Khodorkovskiy, chief of the notorious "Menatep" interbank association, at its head.

Lopukhin strongly criticized the existing practice of attracting foreign investments whereby the Western cofounder only has to provide 30 percent of the company capital to be entitled to export stategic raw material without a license.

There is the special matter of the relationship between the center and the regions. In the planned economy the areas providing the treasury with hard currency revenue were always the most backward in social development terms. The classic example is Tyumen Oblast, which was producing 1.5 times as much oil as Saudi Arabia and 5.5 times as much as Kuwait. But today the people of Tyumen are worse off than the inhabitants of the Non-Chernozem Zone. The same fate has befallen the miners of Vorkuta and the Kuzbass. In order to rectify the situation, Lopukhin believes, before the economic reform is completed it will be necessary to help out the oil- and coal-producing regions with increased supplies of food and consumer goods.

Commenting on the rumors about the future of the former USSR's unified energy system, the minister noted that none of the republics will be leaving it. Moreover, the quality of the central control and supply operation is in no way dependent on who is in overall charge of it. It is all a matter of sound economic contracts between partners. The CIS [Commonwealth of Independent States] countries are constantly holding talks on the

future of the unified energy system, and Lopukhin expects these to end on a successful note, despite the current friction.

Former KGB Leader, Directorate Head Released

LD1601185692 Moscow Radio Rossii Network in Russian 1100 GMT 16 Jan 92

[Text] According to information received by the (RIKA) news agency, former KGB chief Kryuchkov has been released from the Matrosskaya Tishina remand center and is currently at his dacha. The same agency reports that the former head of the Second Main Directorate of the former KGB is no longer under guard and is awaiting the court's decision at his home.

Working Russia Group Holds Rally in Moscow

LD1701110392 Moscow Mayak Radio Network in Russian 0930 GMT 17 Jan 92

[Excerpts] Today, on the day the All-Army Conference opens in Moscow, the Working Russia movement is holding a series of rallies. One of them took place at 1000 at the Tomb of the Unknown Soldier. Several thousand people took part in it. At the beginning, those who were attending observed a minute's silence in memory of Soviet servicemen who fell in the Great Patriotic War. Their basic demands are a unified army and a return to the spiritual values of socialism. [passage omitted]

Today's rally adopted a decision to march to the White House on 9 February and to lay siege to it until the Russian leadership resigns. At present, these are just words, but judging by the seriousness of their intentions, one may suppose that this will really happen.

At 1400 today the Working Russia movement plans to hold a rally jointly with the delegates of the All-Army Conference.

Former Diplomat Cited on Foreign Policy

OW1601192492 Moscow INTERFAX in English 1715 GMT 16 Jan 92

[From Mikhail Mayorov and Igor Porshnev; from "Diplomatic Panorama"; transmitted via KYODO]

[Text] A former high-ranking Soviet diplomat whose further career in the Russian Foreign Ministry is being decided does not think that the old foreign policy should be radically changed. He told DP [Diplomatic Panorama] in a private interview that Russia should really become the USSR's successor, which means that "there is no need to change what was a success in the past", or make steps that would not be understood in Russia or abroad.

He criticized the Russian leaders' plans to seek membership of NATO. Such statements are thoughtless, he said, because they do not take into account the current situation in Europe. The Europeans are not overjoyed by the prospect of losing Russia as a force opposing the U.S. in Europe, he said. Moreover, Russia's joining NATO is infeasible "from the technical point of view", as well, because the NATO leaders do not consider such a prospect either for Russia or for Hungary.

This diplomat described as a blunder the Russian Foreign Ministry's recent statement on the possibility of passing to of the four Kuril Islands to Japan on the basis of the 1956 declaration.

However, he did not back Ruslan Khasbulatov's recent criticism of Russian Foreign Minister Andrey Kozyrev. He said that some of the errors were obvious, but added that one should not blame the Russian Foreign Ministry for not having defined the foreign policy priorities. There was too little time for that, he said and added that in the future this gap would be filled.

Economist Predicts Worsening of 'Crisis'

LD1601142892 Moscow TASS in English 1321 GMT 16 Jan 92

[Text] Moscow January 16 TASS—Russia will face the worst crisis either this summer of [as received] autumn, Soviet Academician Abel Aganbegyan said on Thursday [16 January].

"The lowest point of the crisis has not been passed yet. I hope it will happen this summer of autumn [as received], but I fear that every month of delay in making real changes puts off the settlement of the crisis until 1993," Aganbegyan said.

In an interview with the newspaper BIRZHEVYYE NOVOSTI (EXCHANGE NEWS) he said "We will not fix the economy this year".

The academician believes that if the Russian Government begins radical reforms in January or February, the economy will be stabilised only by next year.

In 1991, production output dropped by 15 per cent, compared to 13 per cent in 1990, Aganbegyan said. He predicts the decline will continue and may reach 25-30 per cent in 1992.

Speaking about the prospects for stabilising the consumer market, Aganbegyan said "A gleam of hope may appear by this autumn".

He expressed hope that proper measures will be taken by that time to stabilise the banking system and the monetary stock in the country. He also predicts that an uncontrolled market of labour may emerge in the country.

Aganbegyan said that up to 50 per cent of state shops, restaurants and other small services, as well as about 50 per cent of houses will be privatised already in 1992.

Economist Condemns Ukrainian Coupon System

PM1601145392 Moscow IZVESTIYA in Russian 16 Jan 92 Morning Edition p 2

[IZVESTIYA's Vasiliy Kononenko article: "Russian Money Not Being Printed, But Not Ruled Out Either"]

[Text] The introduction of coupons as a means of payment in some states of the Commonwealth of Independent States, primarily in the Ukraine, must be viewed as a political challenge rather than economic calculation. Economically speaking, this step cannot protect the national markets against goods "ebbing away" and can only harm the economic reforms, A. Ulyukayev, economic adviser to the Russian Government, told IZVESTIYA's correspondent.

In his opinion, two main aspects in the problem of coupons—alternative money—draw attention. First, the principle for their distribution in the Ukraine is very reminiscent of communism since it is largely based on equal apportionment [raspredelilovka] and leveling. The number of coupons issued (roughly 20 percent of wages) is proportional to earnings and only applies to incomes of between 800 and 1600 rubles [R]. This does not apply to the vast proportion of people with monthly incomes of less than R800 and also to those with incomes in excess of R1600. Naturally this approach contravenes the market mechanism—leveling killed initiative and enterprise stone dead during the years of socialist development. Today it may undermine labor incentives and at some time generate political protests from those oriented to enterprise and highly productive labor. After all, both poorly paid categories of workers and people on high incomes will obtain a number of coupons that by no means corresponds to their needs or the results of their activity.

Second, the attempt to force the ruble out of circulation on Ukrainian territory will ruin integration ties with Russia and deal a severe blow to the Ukrainian economy above all, which is less protected than the Russian economy against monopolism.

Russia has not as yet taken retaliatory steps. The government's resolution restricting exports of goods and resources from Russia can hardly be considered such. Even with effective customs and other supervisory services such steps cannot curb the flow of commodities. What is more, the Russian leadership is willing to make extra efforts to increase supplies of rubles to the Ukraine (one of the arguments used by the Ukraine's representatives is this: We are, they say, introducing coupons since there are not enough rubles to pay wages). But that will be done on condition that the Ukraine suspends the practice of disseminating coupons and using them to supplant the ruble.

If the customs leadership continues its policy of currency isolation and ruble intervention in Russia, the latter will be forced to speed up preparation of its own currency so as to ensure the stability of its monetary system. However that is only a possible means of retaliation. The Russian leadership is not inclined to take such steps at present since they will obviously contravene the principles of the economic reform and will do no one any good.

Request for Deferment of Debt Payment Denied

LD1401181392 Moscow TASS in English 1535 GMT 14 Jan 92

[By TASS correspondent Pyotr Tsyrendorzhiyev]

[Text] Moscow January 14 (TASS)— Aleksandr Potemkin, chief of international operation department of the Central Bank of Russia, did not confirm reports of the Western media that the Central Bank of Russia had asked foreign banks for the deferment of its payments of interest on the foreign debt. He told TASS on Tuesday [14 January] he knew nothing of such requests.

It should be noted that Russia's foreign debt makes up 61 per cent of the debt of the former USSR.

Late last year the Central Bank of Russia joined in the negotiations to split the debt between the republics of the former Union. Experts from countries of the group of seven participate in the negotiations. Potemkin said Western creditors can hardly be expected to consider requests for the deferment of payments by a separate republic. "They are interested in having the debt repaid in full", he said.

Party Urges Aid for Returning Servicemen

PM1501155192 Moscow ROSSIYSKAYA GAZETA in Russian 14 Jan 92 First Edition p 1

[ROSSIYSKAYA GAZETA, RIA, TASS column report: "In Aid of Refuseniks"]

[Text] To start a collection of funds for servicemen and their families who are arriving in Russia in connection with their refusal to take an oath of allegiance to Ukraine—an appeal to this effect was made 10 January by the Russian Democratic Party Executive Committee to the party's regional organizations. The Russian Democratic Party Executive Committee's letter says that "the irresponsible actions of the Ukrainian leadership" have already led to servicemen being forced to leave their former service posts in the Ukraine. This process, coming on top of the withdrawal of troops from the countries of East Europe, is straining to breaking point the already disastrous situation of the Army, and could have unpredictable consequences, the document says.

Treaty Invoked for Nagorno-Karabakh Control

PM1601150192 Moscow KRASNAYA ZVEZDA in Russian 16 Jan 92 p 3

[Unattributed report under the "Direct Line" rubric: "Observers' Appeal to B. Yeltsin Stresses That Nagorno-Karabakh Is Considered Part of Russia Under 1813 Gyulistan Treaty"]

[Text] "Russia must confirm its readiness to implement the Gyulistan Treaty and be a guarantor of the Karabakh people's peaceful life," an open letter sent to President Boris Yeltsin by Russian observers visiting Nagorno-Karabakh says.

One of the writers of the appeal, the composer Vladimir Dashkevich, explained during a conversation with an RIA correspondent that, under the 1813 Gyulistan Treaty between Russia and Persia, which has not hitherto been denounced, Karabakh was declared part of Russia "forever" and its population taken under the protection of Emperor Alexander I.

The independent observers, including Moscow Soviet people's deputies and representatives of the "Memorial" society, the international Sakharov Congress, and other democratic movements, will ask President Yeltsin to urge the Azerbaijan leadership to immediately stop hostilities and settle the problem of Nagorno-Karabakh peacefully.

Supreme Soviet

Further on 16 Jan Supreme Soviet Session

Proceedings Detailed

LD1601080392

[Editorial Report] Moscow Russian Television Network in Russian at 0802 GMT on 16 January begins live coverage of the Russian Federation Supreme Soviet session in Moscow, chaired by Ruslan Khasbulatov. Khasbulatov asks deputies to register and announces that Russian Federation President Boris Yeltsin will participate in the session.

At 0808 GMT, Yeltsin moves to the podium and begins his address.

At 0832 GMT, Yeltsin concludes his address, giving the floor to Russian Federation Deputy Prime Minister Yegor Gaydar, who moves to the podium and begins his address.

At 0847 GMT, Deputy Prime Minister Yegor Gaydar concludes his address, giving the floor to Deputy Supreme Soviet Chairman Vladimir Shumeyko. Shumeyko concludes his remarks at 0908 GMT. Chairman Khasbulatov then invites questions from the deputies in the hall.

A deputy asks Gaydar about the position of the far north of Russia, noting that pay used to be the only incentive to attract people to work in there. Today that incentive no longer exists. All people get are worthless checks. How are they going to turn these checks into goods? Gaydar replies: In the past unrealizable undertakings were adopted. We shall not take upon ourselves liabilities we cannot fulfill. But there is an answer, which includes indexation of these checks and other measures. A decision on this was signed yesterday.

Another deputy asks why the government decided to start privatization with the retail trade and not the main bases of production. Gaydar replies that he agrees that these are two aspects which have to go hand in hand. Retail trade, from the organizational point of view, is much closer to being ready to be privatized. Retail trade is one of the most painful spots.

Omsk's Deputy Baburin then asks: Why does the destruction of the state continue alongside economic reform? How has the government prepared for tomorrow's officers' assembly in Moscow? What does the government have to offer to preserve the unity of the army? Gaydar replies that the government is fully represented here, those responsible can answer for themselves.

Next, Deputy Gleb Yakunin asks about the cash crisis. He quotes a KURANTY report in which a Western adviser blames inefficiencies in the printing of money for the cash crisis. Gaydar says this is the responsibility and prerogative of the Central Bank.

At 0937 GMT, Khasbulatov ends the questions to Gaydar and invites those people wishing to speak in the debate to record their intention to do so via the electronic equipment. He suggests that speeches be limited to five minutes. Deputies approve this proposal in a vote. Khasbulatov invites procedural points from the floor.

Next, Deputy Vladimir Olegovich Ispravnik, chairman of the Supreme Economic Council, comments that difficulties are inevitable. The market is not an end in itself, but it is the means to a goal. He argues that a model showing how the reorganized state sector is to work is required. He says he agrees with the government's program to reduce subsidies to institutions. He adds that this means that they must also offer privatization opportunities to the enterprises whose budgets are being cut. He continues, arguing that equipment is obsolete, then calling for an immediate end to the circulation of foreign currencies on the territory of Russia.

Deputy Sergey Alekseyevich Polozkov then takes the floor for his remarks. He attacks the populism that he says results simply in declarations of: Down With the Government. Price liberalization was obviously something that was needed. But there have been mistakes. The government has been under the illusion that everything can be done at once simply by issuing decrees, he says. Immediate commercialization of the retail trade simply is not possible. He says that centralizing the budget is the wrong approach. Taxes, too, are too high. He argues that a more careful approach to the issue of prices is necessary: Things were done much more carefully in Poland.

Mikhail Mikhaylovich Kiselev takes the floor. He compares the situation to someone in a boat rushing down a torrent. In such a situation the slightest movement is likely to rock the boat. The main thing to face now is the position of Khasbulatov. Kiselev calls on deputies to ask

themselves to what extent Khasbulatov's position coincides with that of the Supreme Soviet. The worst thing we can do now is to change the policy that we have adopted.

At 1000 GMT, a deputy raising a point of procedure from the floor protests against Kiselev's insult against Khasbulatov but calls on quarrels to be laid aside.

Khasbulatov interjects that their purpose is to analyze serious problems. He calls a break in the proceedings.

At 1033 GMT, a Moscow Russian Television Network in Russian announcer states: "And so, esteemed comrades, for today we have finished the session of the Russian Federation Supreme Soviet."

Gaydar Addresses Parliament

LD1601135692 Moscow Russian Television Network in Russian 0832 GMT 16 Jan 92

[Address by Deputy Prime Minister Yegor Gaydar to the Russian Federation Supreme Soviet in Moscow—live]

[Text] Esteemed Peoples Deputies, as I had the honor to say to you on the eve of the unfreezing of prices, this measure is not... [changes thought] this is a difficult measure, which we are taking not because we consider that it will quickly provide us with prosperity and because we think that goods will appear in the shops next day, not because we do not understand all the social harshness and social responsibility of this step, but because in the real financial and economic situation that has arisen we had no other possibilities for maneuver.

Only by sharply speeding up the introduction of market mechanisms could we hope for effective market limiters of aggregate demand to counter the avalanche of expenditure increases which was fully demonstrated last year. This measure will be, was, and is accompanied by risk. Two very important factors determined the dynamics of prices in the forecasts for the period directly following their liberalization. The first of these is the powerful inflationary expectations which have already been formed and which are first determined by the orientation exclusively on expenditure, on the expenditure component in determining the rates in the forecasts of prices.

For many years, no one here has considered whether it would be possible to sell products at high prices. It was known precisely, and to everyone, that if the costs were such, then prices would be such, also. If there was a sharp increase in costs, then prices would also rise sharply. Therefore, the inflationary expectations determined by the inevitable increase in the price of energy presupposed raising the average level of prices many times over, by five, six, or 10 times.

The second very important factor essential to consider is the real volume of money and the real volume of money-backed demand. According to all the forecasts and analyses, the money-backed demand cannot and could not adapt to or accept a price increase exceeding 200 percent, as in the average level of December to January.

It is these two basic factors which determine the development of events in January. There were two possible scenarios, a favorable one and an unfavorable one. According to the unfavorable scenario, the sharp jump in prices reflecting expenditure expectations is accompanied by a soft, weak policy by the goverment and the central bank, which immediately after the sharply increased prices are announced, only announced, the producers increase allocations, amend taxes, sharply increase the expansion of money so that demand will adapt to these prices.

They offer us canvas boots at 1,000—we increase allocations for military expenditure taking into account that canvas boots cost 1,000 rubles. They offer us meat at 200 rubles, and we increase cash-in-hand payments so that the population can accept meat at 200 rubles, and so on.

This scenario immediately led us to the entrance of a hyperinflationary spiral within whose framework we have been reproducing the same deficit economy, only with prices which have risen madly. This is the most dangerous risk, but it is preserved in full today. For the present, thankfully, the development of events is proceeding according to a more favorable, optimistic scenario.

After the first three or four days of the sharp increase in prices, when exclusively price expectations were realized, and the prices named by producers reflected only the level of their production expenses—and hence, fish in Murmansk was at 127 rubles, meat at 204, sour cream at 120 and so on—roughly on 5 January, it started to become clear that these prices were coming up against real demand limitations. Starting on the 5th, according to reports from the regions, quite unusual signals were manifesting themselves: that as the month progressed the consumers were refusing to take goods at these prices, and that goods were being returned, and moreover that there was a fall from the extreme prices of the first days.

In recent days, the dominant theme for agricultural production has been a reduction in price for sour cream, a sharp reduction in marketing—a natural fall in production, because we were realizing fully that if you hope to halt inflation through demand, by controling demand, you have to be prepared, fully prepared, that the first reaction you will have is a fall in production. But if you are firm in your credit and money policy, and if we do not panic, then it is completely inevitable that the next reaction in response will be the the adaptation of supply to the demand which has taken shape.

And this process is now under way—the first reaction is the fall in supply, and the second is the fall in prices. The price for sour cream for some regions over the past few days have fallen by around 30-40 percent. For boiled sausage, a sharp fall in marketing is the first step and then a fall in prices.

The way prices are shaping up on the collective farm market is a very important factor in assessing what is really taking place in the economy. In the first place, Moscow is excluded here, of course, because this market is of an extreme nature here, in connection with the existence of a large hard-currency-owning stratum of the population, which also has unlimited incomes. We have in mind the average level of market prices in industrial centers. This is traditionally one of the most important indicators of inflation in our country. This is because it takes account of both components of inflation: hidden, that is, the shortage of goods, and the open component—the growth of prices in the state trade sector. So, perhaps the most optimistic aspect of everything that one could note as taking place over the past days is the fact that the collective farm market did not, for all intents and purposes, react to the unfreezing of prices in the state trade sector by increasing its own prices.

Currently in many regions, prices charged in the state trade sector have substantially exceeded the level of prices charged by the collective farm market, and it was impossible to convince anyone of this even three to four weeks ago: that it would inevitably happen, provided we do not panic and that thus the prices at the collective farm market would become a substantial and the most important factor in reducing the rate of growth of prices in the state trade sector.

The situation with regard to the goods for which regulated prices were introduced, especially bread, is critical. A sharp decline in demand, amounting approximately to 30 percent, was observed during the first three days and this was actually assumed earlier. This decline reflected the fact that the stockpiles of bread that have been accumulated have been put to use and it also reflected the reaction to the increased prices. As of 5 January, the trade sector naturally reacted to this by curtailing its orders.

The second, expected effect which is called the (Dixon) effect, however, began to make itself felt by this time. It is connected with a sharp demand that is beginning... [changes thought] the compensatory demand for relatively cheap foodstuffs. The population naturally switches its demand when prices generally increase. The proportion played in this demand by relatively cheap produce, such as vegetables and bread, goes up. That is why the demand for bread has been growing again as of the 6th or the 7th. Bread lines and troubles in supplying bread can again be observed in individual regions.

This is perhaps the most important and critical aspect for us today. The uninterrupted supply of bread is, for us, a matter of principle when taking account of the shortages and of the natural reaction of agriculture to the inflation crisis, which always leads to food supplies being reduced.

Here we pin our hopes on organizational work and on understanding from and cooperation with our agrarian sector, and on cooperation with the world community at the same time.

As regards the prices for bread, on the whole, for the greater part of the regions we have carried out mass checks on the regulated bread prices. For all the categories that were checked among those regulated, the prices were complied with. Fact, individual facts of violations were exposed, and measures are being taken.

A complicated situation has arisen—is arising regarding milk. Here again, nothing unexpected has happened, and it was assumed that the relatively low price of milk would lead to an attempt by agricultural producers and the food industry to transfer a considerable proportion of resources toward other dairy produce, perhaps first to sour cream. Therefore, in the first few days, very serious difficulties arose in the sphere of marketing milk. We came up against the wishes and demands of a very wide range of regions which asked us to leave the regulation of prices for milk and sugar at the regional level. This would prevent setting identical prices for milk, say in Arkhangelsk and Stavropol. The corresponding commercial decision was taken by us. Now the price for milk and sugar is being regulated by local authorities.

The steep increase—the steep restrictions in the demand for sour cream and the difficulties in marketing this product—in the last few days led to an increase in production and the offer of wholemilk products. As a whole, in the past 12 days, the marketing of wholemilk products, which initially fell sharply, has reached above the December level.

Regarding predictions and prospects, no one ever expected, as I have already stressed, that the release or the liberalization of prices would suddenly—on the second, or third, or fourth day—and inexplainably result in a surge of goods onto the shelves.

We are shaking up a mechanism of management, a mechanism of distribution of social roles which has been come about over decades. For decades, state trade has been engaged in distributing resources in short supply. The manager of a shop was an important person because he shares out goods in short supply and not because he is racking his brain and is thinking about where he is going to buy certain things and how he is to sell goods to the consumer at a balanced price.

That is why, naturally, we have never underestimated the organizational difficulties connected with shaking up these stereotypes in trade. From the very outset, we assumed that we would carry out work on commercializing trade, on creating conditions for its normal market behavior. We proposed to the president, and he supported us by the adoption of the decree on the organization of trade. This organizational work is now coming to the fore because we have created the macro-economic prerequisites, the first ones in order for trade to start operating as market trade.

Next, it is necessary to back these general economic prerequisites with organizational prerequisites, or with serious organizational work.

As the president said and observed, 21,000 shops presently received the right to engage in economic activity. It seems this work will now find itself at the center of the government's attention in the next few weeks. As commercialization proceeds naturally, it will be possible to immediately step up the privatization of trade. According to the data from checks and investigations we have made, the situation is fundamentally different in the private shops, in the lease-contracting shops, in the shops that have undergone commercialization, and in the old, traditional shops which form part of the trading organizations.

In the latter, there is a complete absence of goods on the shelves; in the former, there are stocks of merchandise that are gradually building up and there is a widening range and a flexible response to supply and demand.

The most serious threat we are coming up against today is the threat of panic. Of course, the leap in prices—in reality not so much a leap in prices as a leap in the prices claimed by the producers, because essentially there are almost no prices yet—naturally gives rise to serious difficulties, particularly in budget-financed industries. It naturally gives rise to the immediate desire to alleviate the situation, to adjust taxes immediately, to reduce them, to bring in additional payments, in short to surrender. One can only take these kinds of measures if one weighs the situation very calmly and very responsibly and considers what is really coming into being and our capabilities.

I am obliged to stress, esteemed People's Deputies, that there is no such thing as a state expenditure that is covered by any funds other than taxes. It is always covered by taxes, though by taxes of different kinds. If you cannot cover it—if we together cannot cover it by normal, civilized taxes, then it is always covered by a most burdensome, most dangerous tax. This tax is the tax of inflation. Because this is a tax which is applied in chaotic form upon the whole of the population, a tax which is unfair to the maximum degree because the people who avoid it easiest of all are the speculators, it is avoided easiest of all financial groups: It is imposed directly, directly upon consumers. It is imposed first and foremost upon those groups of the population that are least well off. If we want to go on together, and without any doubt whatsoever we do want to reduce the level of taxation, that is one of our most important strategic tasks. We first must look together for ways to reduce state expenditure. Shifting this state expenditure and this financing from normal taxes, no matter however burdensome they may be, onto ruinous and terrible taxes in the form of inflation, perhaps, would be the most serious mistake. This would be the most serious mistake that we could make together today.

Of course, we expect and we did expect that we would have to adopt and propose measures aimed at providing incentives for entrepreneurial activity. Today, when the signs of demand limitation have already made their appearance and are making their appearance, it is possible to go down the road of redistributing the taxation burden and creating investment incentives.

But all this must not be done in a state of panic; all this must be done consistently and in an organized manner, together with a reduction in state expenditure. Thank you.

[Chairman of the Supreme Soviet Khasbulatov] Thank you. Well, the floor is passed to Vladimir Filippovich Shumeyko, deputy chairman of the Supreme Soviet.

Igor Timurovich, you mentioned the word panic 12 times in your speech. I would like to say to you that the concept of panic has no economic significance. [commotion in hall] Yes. Please. And I would ask you not to call out. I want no comment. I am saying that panic has no economic significance. Please.

Shumeyko Addresses Parliament

LD1601154892 Moscow Russian Television Network in Russian 0847 GMT 16 Jan 92

[Address by Vladimir Shumeyko, deputy chairman of the Supreme Soviet, to the Russian Federation Supreme Soviet in Moscow—live]

[Text] Esteemed president, esteemed chairman, esteemed people's deputies! I have to inform you that yesterday, in the course of nearly three hours, a very constructive discussion took place between the leadership of the Supreme Soviet and the government. A great many things which were, so to speak, vague or inexact during the course of the carrying out of the reforms were cleared up, and we once again agreed on joint activities.

I state with all responsibility that such discussions are extremely useful, and we will endeavor to hold them from time to time.

Nevertheless, it is two weeks today since the time of the true implementation of the effective economic measures which, as you know, began with the adoption of the Russian president's decree on measures on the liberalization of prices. I agree with the opinion already voiced by Boris Niko'ayevich that two weeks is not a fixed time for summing up results or for any profound conclusions. Nevertheless, a reform which is carried out systematically should always have an opportunity for maneuver and for mistakes to be corrected, with the object of truly improving the lives of the population and reducing the losses incurred from the restructuring of the economy. Unfortunately, the measures for radical economic reform which are being undertaken, as an analysis of all the information to hand illustrates, are at the moment leading to a deterioration of the socioeconomic life of the peoples of Russia.

The process today is characterized, on the one hand, by a chaotic, unsystematic increase in prices, and, on the other hand, despite this price increase, an absence of nearly all types of commodities on the shelves of shops. But the most alarming fact in this connection is the

tendency towards an all-round reduction in production and attempts to make up the losses in profits through price increases.

An analysis of the processes which are occurring in various regions of Russia and various spheres of the economy shows that acute social problems frequently arise, not because of the measures themselves which are undertaken—and it has to be said that these measures were in the main supported and adopted by the whole population—but precisely because these measures have been poorly or incorrectly carried out. Therefore, in my speech I wish to show precisely this inter-connection and how we can avoid incorrectly carrying out measures in the social sphere, and I call upon all the remaining speakers to look precisely at this aspect so that today we can constructively discuss the process of this reform.

Now specifically about the measures themselves: the first measure, as you know, has been spoken about just now by Boris Nikolayevich in his speech; this is the commercialization of the activity of enterprises of trade and consumer services. As you know, this measure, aimed against extreme monopolization in the sphere of wholesale and retail trade, catering and consumer services, had to be implemented on a very tight schedule so as to be the preparatory stage in carrying out the liberalization of prices and privatization of trading enterprises.

The decree of the president of Russia on the commercialization of the activities of trade enterprises in the Russian Federated Socialist Republic [RFSR] prescribed that the bodies of executive power should by 1 January reorganize state enterprises of retail trade by separating out from them sub-structures and at the same time giving them the right to act as a corporate body. But to date, as Boris Nikolayevich said, only 21,000 trade enterprises have received this right.

What is the reason for this weak, to say the least, execution of the president's decree? No doubt the reason is that in carrying out the president's order, the minister of trade and material resources issued this brief order on 17 December 1990, consisting of just two points:

Point 1: The methodical recommendations for the reorganization of state enterprises should be ratified, and

Point 2: Bodies and organizations of the Trade and Catering Administration of the Republics forming part of the RFSR and so on and so forth should adopt these methods for implementation.

The normal methodical instructions are written out on 19 pages in fashionable language with reference to the law on enterprises and business activity and so on. I will draw your attention to just three excerpts from this order by the minister. Here is excerpt No. 1:

By state enterprise of retail trade and catering should be understood: TORG [foreign trade association], trust, association, organization, branch, combine, firm, office, or other organizations. [applause] And this, with reference to the law on the enterprise and business activity which clearly and unambiguously states what an enterprise is. Naturally if this is all enumerated, then the president's decree is fulfilled immediately after he has written it. Immediately. Everything that has been enumerated here is an enterprise of this same trade. [shouting from the hall with request to ask something, the speaker ignores this and continues]

Second excerpt: The decision on reorganization is made by the bodies of executive power. When the decision is made it is expedient to make an all-round analysis of the various aspects of the reorganization which is being carried out, its consequences for the economic and social development of the labor collective or trade enterprise. The reorganization taking place should not involve any deterioration in the supply of goods to the population.

It looks as if everything has been said correctly. But in this way, if the bodies of executive power are given the right to analyze aspects of the president's decree, in 99 cases out of 100, it will always be proved that any reorganization leads to a temporary deterioration.

But then, if these bodies make their own decisions, then what is the need for the presidential decree? Why was it written? So, when I talk to the regions every day, I am told more or less the same thing: we receive a decree from the president and rejoice, then we receive the details from the government and we weep.

Here is a specific example. The labor collective of the Moscow Petrovskiy Passazh universal store, numbering 296 people, has since 22 November last year been coming up against a brick wall, to put it crudely, it cannot extricate itself from the structure of the TsUM [central department store] association and gain the status of a corporate body. Meanwhile its floor space is not being used, it is not receiving goods, and since it is not a corporate body, it cannot set to work on this on its own.

I have here all these documents, look at them, a mass of signatures from all these enterprises. Well, all right, that is a well-known universal store, a well-known one in Moscow, it has got through and gone as far as the deputy chairman of the Supreme Soviet. And I think that we will settle the issue together with them. But what are all those small shops in the depths of the countryside to do? In general, what about all those who do not want any reorganization? In their case, no methodological instructions will ever be of any help.

Analysis of the processes in reorganization of trade shows an obvious desire to defend centralized administration of retail trade, and especially its middle layer, the administration of trade by oblast and kray executive committees, once the impenetrable layer.

As for wholesale trade, the Ministry of Trade is a total monopoly here. For every individual region, a republic, kray or oblast, there are about 20 wholesale enterprises belonging to various wholesale systems. For comparison,

let me tell you that in a single state of the United States, there are 3,700 such wholesale organizations. In one German land there are up to 10,000. In one department in France there are about 1,000. And we have 20.

From all I have said, there is conclusion: that change to reform measures in the sphere of reorganization of trade means immediate and drastic reduction of the state sector; the implementation, on a broad scale and rapidly, or wholesale, as they are saying in the press at the moment; of privatization of trade enterprises, changes to the privatization program in terms of reduction of the time scale, with a simultaneous—I stress, simultaneous—start on privatization of wholesale and retail trade enterprises. At the moment, the privatization program—you have read it—contains a time gap of six months. First, retail trade is privatized, then wholesale trade, that most dreadful monopolist.

And here, probably, all of us have to draw the most important organizational conclusion: what are we to do as far as reforms are concerned? Have one, laconic, precise presidential decree with direct effect, or have a presidential decree with subsequent enabling legislation? The latter, in my view, is today something that we cannot allow.

It would be better to try to make the president's decree such that it really has a direct effect and is immediately implemented and avoids, if you will excuse the expression, entrusting the cabbage to the goat, whereby decisions on reorganization are taken by someone who does not want to be reorganized.

Second, I would like to touch briefly on the process of liberalization of prices. As we all understand, free retail prices precisely in the state trading network does not at all mean giving the seller and the buyer the right to haggle. We understand that the prices must be confirmed by the managers of the trade enterprise, be set out in the appropriate documents, and that these free retail prices should be based on free wholesale prices, taking account of trade supplements and expenses.

But as is shown by practice, in one and the same town the fluctuations in prices sometimes reach a factor of 10. A factor of 10 is what we found in our group, our operational coordinating group. We were told by people on the spot that meat is brought into a shop. It costs 35 rubles and the person in charge of this shop telephones a friend and says I have meat which I got for 35 rubles, take it for 50 rubles. He takes it for 50 rubles and sells for 70 rubles, and the chain has moved on, while the meat is still the same. You understand that this is the state trading network. It is necessary to establish some strict monitoring.

But the greatest dissatisfaction of the population, the very largest dissatisfaction is caused by the sharp fluctuation in prices on the very same goods which in accordance with the president's decree should be sold at the same regulated price.

In my view, it is necessary for the government to establish very strict monitoring. We have the Interior Ministry and the KGB—the former KGB, that is—and the anti-embezzlement department and the prices committee and a mass of all sorts of bodies which could do this. But if this is impossible and, indeed, this might not be possible, then it is necessary to review the program and free all prices without exception and move over to giving subsidies to the consumers and not the sellers.

There is one further aspect which appeared very recently that influences price formation. Today there are no governmental measures to protect us from an influx of rubles from neighboring sovereign states. Thus, after the introduction of coupons in the Ukraine, over a period of two days the price of meat increased by 250 percent in Belgorod Oblast, which adjoins Kharkov Oblast. Naturally, people are coming in from Kharkov Oblast to buy things for rubles. And the ruble influx is very high. It must be said, that the people of Belgorod Oblast, too, have the right to buy these coupons for ten rubles and they, too, are going to Kharkov Oblast to buy something there and the process evens itelf out. But, nonetheless, one should pay attention to this aspect today, since it is impossible to stop this process.

Problems of normalizing the circulation of cash were also discussed at the meeting of the operational coordinating group of the Supreme Soviet. And here it must be said that the economic reform measures being carried out are connected with the increase in the size of wages, pensions, grants and other monetary payments and require a sharp increase in the amount of cash.

At the same time, reports from the regions show that acute social problems are arising and the shortages of money for the payment of wages and pensions are worsening. It is precisely this issue that the strikes and meetings in individual areas of Russia are addressing. For example, on 15 January in Altay Kray, the banks were 600 million rubles in arrears with wages, in Tver Oblast 200 million rubles, in Novosibirsk Oblast more than 400 million rubles, in Kurgan Oblast 130 million rubles, in Tula Oblast 350 million rubles, in Ivanovo Oblast 120 million rubles and so on.

On the instructions of the group, a bill has been drawn up in the Budget, Planning, Taxation and Prices Commission that provides for the compulsory hand-over of all the monetary funds of enterprises and banking institutions except where there are established limits. It establishes liability for violation of the procedure concerning cash transactions and incorporates many other measures.

I think that the government, in conjunction with the Central Bank and our committees, needs urgently to consider these proposals and to issue the relevant resolution, or, better, a presidential decree.

Fourth, despite the fact that the main tasks of the reform are, after all, to reduce prices by saturating the market

with goods—and this can happen only through a many-fold increase in the volume of output—we, as I have already said, are witnessing the reverse process—a fall in output. In our view, there are two fundamental dominant causes here.

The first cause is, as they say, imprecise tax policy in respect for providing incentives for the individual producer. The view has already become widespread in society that the new tax system is crushing entrepreneurs. In fact, of course, nobody has been crushed yet, and here I am in full agreement with Yegor Timurovich [Gaydar] that we can only see the results of the functioning of the new tax system once the first quarter has ended. However, we should all see clearly and unambiguously here that what is highly material today is, so to speak, the psychological preparation of entrepreneurs for accepting this new tax system.

I will give you just one example: as a result of the expected tax on the profits of the commercial banks and in light of the increase in credit interest rates by the Central Bank of Russia, these commercial banks have already now raised the cost of borrowing to 30-50 percent per annum. Making credit this expensive makes investing in industry quite simply senseless; it is working directly to cut the output of goods. This fact alone is setting off a chain reaction in the goods markets as well as uncontrollable inflation. Therefore, in our opinion, the government, in conjunction with the appropriate committees of the Supreme Soviet, must today, without even waiting for the results of the first quarter, work out the optimum procedure for the application of this very tax system, of taxation.

At the same time, Yegor Timurovich one could introduce some temporary allowances, a system of tax allowances for a proportion of the profits of legal persons which would be earmarked precisely for investment into the production sphere; establish tax allowances for enterprises producing staple goods, if only for the most narrow range; grant tax allowances to defense industry enterprises which are converting their production to consumer goods; and what is the most important thing, rigidly limit all kinds of payments introduced by local bodies of administration but not envisaged by taxation, by the system of taxation.

The second cause of the drop in production relates only to state enterprises. Here one must say that the transformation carried out in the structure of managing the industry have practically made state enterprises super-independent. And for many enterprises, this independence spells misfortune, not blessing, today. No doubt, the elimination of the command-and-bureaucratic form of running the industry can be regarded as an achievement of the reform of the last few years. The top part, the vertical dimension, has been broken. The Gosplan, the Gossnab, industrial ministries and departments have been eliminated. Unfortunately, these vertical links have not yet been replaced with horizontal and mutually beneficial ones. Such a replacement has simply not taken place.

And many deputies of the Supreme Soviet and, on the whole, specialists in commissions and committees are coming to the conclusion that thanks to the latest government decisions a super-monopolized, multi-link administrative and managerial monster, which in a number of aspects is today more rigid than the old system, is being formed in the government. And the state enterprises have turned out to be the last in the chain of this five-link system: Ministry, committee, department, concern, and enterprise.

Those enterprises which, owing to a number of reasons, cannot be privatized or turned into joint-stock companies today have been practically left to the mercy of fate in their economic activity. There is such a view. I must say that it is not quite so. For example, departments of the Ministry of Industry are independent, they are run by very skillful specialists; they could be regarded as having the same rank as the old industrial ministries. But here, you see, the following should be done, in our view. Since the government cannot show a devil-may-care attitude to its property, to state enterprises, one should immediately revise such a system of running state industry. And a sensible combination should be found here, a combination of introducing new forms of running the economy—I have in mind inter-branch state associations, various structures of state commercial companies, the formation of regional and inter-regional associations, that is, to delegate rights to them—and also a single-link branch system having the rank of ministries should be preserved. True, in our view, at the same time the government should give a clear annual task to these ministries for privatizing a definite number of enterprises within each branch and should attach a concrete list of enterprises to a privatization program.

For the time being, however conservative this measure may seem, taking into account the difficult progress of reforms, a decision on obligatory preservation of at least 50 percent of ties of last year's level should be adopted for state enterprises. Given the existing economic ties between state enterprises, command methods are permissible since this is our state property. This issue should be approached in a very calm manner. The thing is that so long as this property has not been given away or handed over to others, it must be dealt with every day. And nobody has given us the right to forsake it economically. We see this drop in production, and we must not remain indifferent to it.

Finally, I would like to say just a few words about privatization. We all understand that an accelerated wide-scale privatization, especially including mass-scale sale of immovable property, is the main point of reform today. In our view, we can achieve considerable revenues to the budget through privatization. You saw the figure of 92 billion rubles in the privatization program.

If one approaches this problem correctly, this figure can be doubled or tripled. But the main thing here is the role of the Supreme Soviet, because the sale of plots of land into private ownership comes to the forefront. Especially plots not being used for agriculture. The buying and selling of land has been brought to the forefront today, and I hope that the Supreme Soviet will meet the government half-way on this question and that a law on the buying and selling of plots of land can be adopted in the shortest possible time. Perhaps such a law cannot be made immediately, in full, but first let us start with land for non-agricultural use, because this is badly holding back the privatization of industrial enterprises. Then let us move on to the buying and selling of land for agriculture.

Well, in conclusion, and in a purely friendly manner, I would like to draw the government's attention to the fact that we have gained some sort of pride in how bold we have been over the implementation of these unpopular measures. It must be said that reform measures cannot be popular—never; they must be tough, precise, and appropriate to the situation. It is songs which are popular.

For example, in the twenties there was a popular song: "Our Steamer Sails Onward; It's Next Stop Is Communism.' Some humorists said that the steamer had not reached Communism because the whistle had used up all the steam. It would be the most painful thing if, in our time, the steam got out between the cracks and between the poorly welded joints of the steamer of reforms. We should be thinking and talking about this a great deal today. Thank you. [applause]

Gaydar Answers Questions

LD1601175492 Moscow Russian Television Network in Russian 0909 GMT 16 Jan 92

[Question and answer session between Deputy Prime Minister Yegor Timurovich Gaydar and Supreme Soviet deputies at the Russian Supreme Soviet session in Moscow—live]

[Excerpts] [passage omitted] [(?Vashenkov)] Deputy (?Vashenkov). Yegor Timurovich, I am very glad that the forecast you gave just before the New Year is essentially being confirmed and that it is even a little more optimistic. But I have the following question: We are all familiar with the president's decree on the liberalization of foreign economic activity and with the draft prepared by your cabinet. Unfortunately, there are huge differences between the draft and the decree itself. Please say why these differences have arisen, and will there indeed be liberalization of external economic activity? I have a second question for the president: Is Russia going to have its own independent military policy? Thank you.

[Gaydar] With regard to the law on the liberalization of external economic activity and the normative acts on this liberalization: The main factor that prevents us from moving further in this matter today—despite the fact that we would indeed like this very much; it is in keeping with our guidelines—is the speculative exchange rate for the ruble, which has been brought to its absolute bottom limits because of uncertainty over its future and the rush—the financial rush—out of the ruble. It is also connected with the fact that relations with the republics are not settled.

Unfortunately, given the fact that the rate for the ruble stands at this level and given the fact that today we have no operational currency resources, unfortunately more far-reaching measures for liberalizing external economic activity could hit our processing industry very painfully indeed. We have already delivered a number of quite serious blows today—we were simply obliged to do so for objective reasons—in limiting the demand for its production and limiting military orders. If we were now to create more opportunities.... [changes thought] Let us put it this way: If we were to reduce the tariff and customs barrier against the export of raw materials it would simply mean placing that industry into intolerable conditions in which it would simply have to cease work in a few months' time. This direction, therefore, in which we are going to go.... [changes thought] We hope we will be able to break the ruble exchange rate by economic methods. Moreover, we are confident this will be the core of our policy for the immediate future. Then we will be able to move further in the direction of ensuring convertibility and opening up of the economy. [Gaydar does not respond to second question] [passage omitted]

[Vinogradova] Deputy Vinogradova, Novosibirsk. Yegor Timurovich, a question that applies to the entire Novosibirsk region: Since November, Novosibirsk has not been able to pay pensions—to invalids, in particular—and wages and so on. The head of the administration and the financial bodies of Novosibirsk Oblast have repeatedly sent telegrams, made it known, and asked for help. Is there any possibility of helping now? And half of another question: Vladimir Filippovich Shumeyko spoke a lot about trade. Following the president's decree, some strange explanations are coming out of the Ministry of Trade that generally speaking almost disavow the decree that is aimed at the liberalization, the independence, the privatization of trade. Thank you.

[Gaydar] About the first question: The total indebtedness with regard to the payment of wages, the insufficiency of funds in the savings bank, and cash in arrears for all types of social payments stood at 13 trillion rubles at the end of December, if my memory serves me right. Until now there has been no increase in this shortfall, though it is noticeable that it has not been reduced, either. It is being kept at approximately the previous level, between 10 and 11 trillion rubles.

With regard to the Novosibirsk area, Novosibirsk, Altay, and Chita are among the most severely affected regions, and this is also because so far the process of marketing output has been proceeding at a fairly slow rate. You must understand that the gap between the available cash and the requirement for it is determined first and foremost today by the rate at which cash is paid in and by

the speed with which output is marketed. For Novosibirsk, as in the case of Altay, up to now the marketing has been launched in a slow way, which in my view indicates that there has also been some lack of getting things done on the part of the local administration. We, in coordination with the Central Bank.... [changes thought] I think the Central Bank is due to send a further consignment of cash to Novosibirsk on 23 January. Overall, as far as cash is concerned, the situation is going to be determined first and foremost by the extent to which we are able to prevent an avalanche of increases in cash disbursements. The main difficulties and the most serious ones as far as cash is concerned until the beginning of January were connected with the outflow of funds from the savings bank. This was later compensated in part by rumors about imminent monetary reform. The management of the savings bank even criticized me for my statement that no monetary reform was being planned, saying that this had led to the loss by them of approximately 1 trillion rubles in cash.

[Sevastyanov] Sevastyanov, representing the 73d national-territorial constituency. Esteemed Boris Nikolayevich, I wish to ask you a general question that has a certain political nature, a question that government representatives may answer point by point. The general question is this: Why does your report fail to shed light upon five main, foremost questions? Why is it that the team that prepared your materials failed to address these vital questions? It is not just a matter for you, it is a matter for the people and for us, too.

The first question: What resources, including legislative ones and government decisions, are we using today to protect the people from the prices on essential food products as set out in the 12 points we discussed? Experience shows this is missing. The second question: When will we consider the budget? The third question: Why is it that we have not examined and are not examining the question of welfare for the Army? The fourth question: Why does the report say nothing about the third estate, which loudly applauds these reforms? And the fifth question: Why do we say nothing about the spring sowing? It will not take place if machines are idle by the millions. Or maybe the government intends to exist only until the beginning of March and to go before the sowing? And now, for the final comment: If the parliament fails to control the budget, we will turn into a Pioneer camp of the period of stagnation. Thank you.

[Gaydar] I will answer the questions relevant to me. As was ordained by the Supreme Soviet decision, the budget was submitted to the Supreme Soviet yesterday, on 15 January. I therefore hope that now our joint work will be to analyze, examine, and adopt the budget for the first quarter. As for measures to protect servicemen, the total of pay and allowances for servicemen went up by 1.9 times on 1 January. This was done taking into account that in October they went up by 1.3 times. There is no doubt at all that it is little, maybe very little, but, nonetheless, it represents the maximum that the budget can currently afford.

As for social protection, I beg your pardon about the 12 groups of goods. As for the 12 groups of goods, it was my duty to report that the regulated prices on bread manufactured from the three basic grades—the first and second grade of flour and from rye flour—are on the whole being observed. As for our forecast.... [changes thought] Well, let us take a look together. According to what people in charge of various commissions report, there are instances of violations. Measures are being taken with regard to these instances and those who are guilty will be punished. As far as the overwhelming majority of regions is concerned, the regulated prices, the top level of prices—otherwise all prices would be the same—on these categories of bread is, on the whole, being maintained. As far as a whole range of goods is concerned, the problem is not that these prices cannot be sustained, but that just as they were physically not there in December, they were being distributed through coupons and ration cards, so they are also not there today in most regions. This is linked with material and substantial factors, the presence or absence of these goods. They cannot in any way.... [changes thought] I mean, despite the government's best efforts, it cannot create what does not exist; it can ensure control over distribution.

As for social protection, we have taken measures aimed at increasing the payment of ready cash; we unfroze wages as of 1 December. At the same time, the rate of growth of cash—of wages—is high. This was the case in December and will also be the case in January. As far as January is concerned, measures have been taken to increase wages in those sectors of the budget that deal with public spending and culture. Our view is that the higher management structures are, perhaps, the last stratum which should benefit from these measures. It is here that we will not be hasty with our social benefits and our social protection. [passage omitted]

[Gorelov] Deputy Gorelov, Moscow area. Esteemed Yegor Timurovich, I have in my hand a Ukrainian coupon for five karbovantsi [Ukrainian for ruble]. It is worth about 50-100 rubles today. With its format, watermark, and around seven antiforgery elements, it is, in essence, a Ukrainian currency. In connection with this, I have a two-part question for you: First, how do you explain the stubbornness of the Russian Government in keeping the Russian consumer market open to possible ruble expansion from adjacent Commonwealth states? I would like to add to this that for 18 months now the Ukraine has been protecting its consumer market in this way. The second part of the question is: What measures are there to prevent and neutralize this kind of expansion?

[Gaydar] The government's stubbornness on this matter is determined by the fact that we are profoundly convinced that the most effective strategy for Russia is retaining the existing monetary units. We are not doing this to suit someone, nor because we are, so to speak, weak, nor because we think we have to come to a needless compromise, but because we are deeply convinced that the introduction of national currencies and an initiative by

us in that respect would have serious destructive consequences for the economies of all the republics, including the economy of the Russian Federation. Our position is that even if the other republics are prepared to introduce their own currencies, we must strive to retain the existing ruble, strive to strengthen it, and strive to protect it.

This, of course, does not mean we are closing our eyes to what is happening in other republics. It does not mean we are not going to restrict the amount of rubles in the form of cash that we give to support those republics that are introducing their own monetary substitutes. Because the Ukraine, for example, literally a few days after putting its coupons into circulation called for additional union rubles, because union rubles virtually ceased to circulate and problems arose with paying wages.

This does not mean, of course, that we are not going to take other protective measures in the area, first of all, of circulating money by non-cash methods, thus restricting the chance of uncontrolled issuing of rubles using non-cash methods in other republics and—in the first place—in the republics that are introducing their own monetary units.

But at the same time, with all the problems that are arising today, taking into account the sharp increase in the prices and incomes that is taking place today and that has taken place during January, and the corresponding sharp reduction in the relationship between the amount of cash and the whole flow of current goods, I would be very cautious about far-reaching measures that could protect our consumer market in individual regions—could give positive results for about a month and a half—but on the whole, by undermining confidence in the union monetary unit, in our monetary unit, could turn out badly for us.

[Sheboldayev] Deputy Sheboldayev, Moscow. What Vladimir Filippovich Shumeyko said concerning the procedure for implementing the decree on commercialization of trade and other spheres made a strong impression on me. Esteemed Yegor Timurevich, who in principle in the government supervises the execution of presidential decrees? I would like to know that. And what is your attitude to the proposal made, if am reading the press reports correctly, by the chairman of the Supreme Soviet concerning preparing a law on the criminal liability of officials failing to implement laws, resolutions of the Supreme Soviet, and Congress decisions and, perhaps, decrees or other acts, which would also make sense? What is your view of that?

[Gaydar] I am positive in the utmost about this idea. I think it is very useful for reinforcing both executive and legislative power. As for the issue of supervising the execution of a decree, I would note that, despite shortcomings in the Ministry of Trade's instructions on implementation of this, this work was started and today is being operated, supervised, and coordinated [lengthy pause] by the president's representatives locally, the supervisory directorate headed by [words indistinct] (Makaradze). So we have set up a joint group from the State Property Committee and the supervisory directorate of the Ministry of Trade that is directly answerable for the execution of this decree. On the whole, this work is being developed region by region; it is in progress and nonetheless 20,000—excuse me, 22,000, 21,000 [as heard]—shops having received the right to exist as a legal entity in virtually one month's work is few, is less than needed, but it does not mean this work is coming to naught.

Kiselev Criticizes Khasbulatov

LD1601194292 Moscow Russian Television Network in Russian 0800 GMT 16 Jan 92

[Remarks by Deputy Mikhail Mihkaylovich Kiselev at the 16 January session of the Russian Federation Supreme Soviet in Moscow chaired by Supreme Soviet Chairman Ruslan Khasbulatov—live]

[Excerpts] [Khasbulatov] We have the chance to fit in a speech by Mikhail Mikhaylovich Kiselev before the break. After the break we will have Klochkov, chairman of the Federation of Independent Trade Unions of Russia. Go ahead.

[Kiselev] Esteemed deputies, esteemed president: In 74 years we have truly climbed so high up a mountain that there is nothing to breathe. We have decided to get down by floating down a mountain stream in a boat. We are in a situation where we are sailing in this boat down a turbulent river, avoiding rocks and waterfalls. Any actions by those who are in this boat today, by those who are trying to jump out of it, or out of this process, are doomed to failure. Any such actions by those involved in steering this boat are especially ruinous. Any attempts to change the direction or the current today mean ruin for all of society. I believe that today the main political fact that the Supreme Soviet ought to discuss, the main question it ought to answer, is the stance of Ruslan Khasbulatov, chairman of the Supreme Soviet and corresponding member of the Academy of Sciences. I would like to ask the members of the Supreme Soviet who are going to speak here today to express their views on how the chairman's stance coincides with the opinions of this lofty assembly and on whether this lofty assembly considers such provocative, irresponsible actions permissible at this complicated, difficult moment—the most difficult for our Russian people in 74 years. [passage omitted]

[Khasbulatov] We have a procedural point on microphone two.

[Deputy Andronov, from floor] Andronov from Vladimir Oblast. I protest the offensive remarks made by Kiselev against the Supreme Soviet chairman. I declare, as a member of the Supreme Soviet, that I share and fully support Ruslan Imranovich Khasbulatov's stance. If I am given the opportunity, I will explain why. I also appeal to my comrades, as the chairman has already said here, to eschew the settling of personal accounts, to

dispense with these personal attacks at this hard moment for our fatherland, and to get to the point. Thank you.

[Khasbulatov] Right. Esteemed deputies, we will take a break now, but let me say a couple of words first. Now is not the time to do this. If somebody thinks that he will achieve something by cursing somebody, such as me, or by praising somebody else, such as the government, that is up to him, but it is not the point. We have gathered to make a critical and harshly exacting analysis of our own record. Even the government agrees. You have seen very critical speeches from the president and the deputy chairman. Let us make certain improvements. Yesterday the government proposed this. We do not have great problems in our point of view and our relations. That is not the point now. Do you agree? [murmuring from hall] Right. We will now take a 30-minute break. Thank you.

Further Proceedings Detailed

LD1701015692

[Editorial Report] Moscow Russian Television Network in Russian at 1930 GMT on 16 January begins carrying the recorded "At the Russian Supreme Soviet Session" program of highlights of the Russian Federation Supreme Soviet session in Moscow on 16 January.

At 2054 GMT, the program is interrupted for the "Vesti" newscast.

The recording of the Supreme Soviet session resumes at 2125 GMT with an address by Deputy Vladimir Ispravnik

At 2131 GMT, Deputy Klochkov takes the foor and speaks on behalf of the trade union association.

At 2134 GMT, Deputy Rumyantsev takes the podium and says, on behalf of the Democratic bloc, that the government should listen to advice to change course. We are talking about partnership, he says. He supports Klochkov's statement about alienation from the government. He wants Burbulis, Shokhin, and others to take note. Government policies need amendment in the following area: There should be more partnership between the government and parliament. The current scenario is what ruined the Union parliament. Masses of laws are being adopted, but current activities and implementation are not being analyzed.

At 2137 GMT, Petukhov praises Yeltsin's speech and suggestions for stabilizing the situation, especially a limit of 5 percent on the profits of enterprises. There is too much criticism of the agrarian sector for raising prices. Collective and state farms have come in for much in this respect. Peasant farms will not feed Russia on their own. Shareholders must be producers, he insists.

At 2139 GMT, Valeriy Zorkin, chairman of the Constitutional Court, speaks. A meeting of the Court was held this morning. It discussed commentaries in the official press on the Constitutional Court's decision on Decree No. 289 on the amalgamation of security ministries. There is no appeal against this decision. He criticizes a commentary in ROSSIYSKAYA GAZETA and other papers. This has been picked up by Radio Liberty. It concerns a statement by Shakhray who said that the decree is still in force. Zorkin says that the Court will be forced to study this question. If a rebuttal is not forthcoming, the Court may have to study the question of whether Russian leaders have adhered to the Constitution, impeachment in other words.

Khasbulatov then comments on Zorkin's statement. Yeltsin reacted with respect for the Court's decision, he says.

Shakhray comments on Zorkin's statement. He reads the text of the president's reaction to the Court's decision. The Constitutional Court had declared a decree by the president invalid. The decisions of the Constitutional Court are accepted and will be treated with respect. But the Court's decision was guided by political motives. The president wishes to increase the liberties of citizens. But there is a great danger in concerted opposition to the constitutionally elected president. The adoption of Russia's new constitution must be accelerated. Shakhray says the decree in question was the decree on the creation of a new super Security Ministry. Responsible public bodies should check their sources before issuing statements.

At 2145 GMT, Khasbulatov says the findings of the Constitutional Court should be treated with respect. After all, the Supreme Soviet created it. Its findings must be implemented.

Deputy Vitebskiy talks about the state of affairs in the Armed Forces and about conversion. The technological chain in the defense sector is being upset, he notes. This will make it difficult to resume production in this sector, if this becomes necessary. The Army's ability to mobilize has been seriously affected. A number of factories in remote parts of the country are crucial to the country's ability to mobilize, he says. The decisions which are being made will not result in any savings, he says. The payment of compensation will outweigh any savings. Wages will still have to be paid, despite conversion. He proposes a fresh approach before the budget is adopted. The Supreme Soviet must adopt a defense doctrine that will sort all these questions out, especially the ones applying to mobilization capacity. Another area which needs to be studied is military cooperation between the various republics.

At 2150 GMT, Deputy Voronenko asks why the Supreme Soviet's decisions do not always achieve the results that were intended. It often puts the cart before the horse, where economic laws are concerned. He suggests that the government give some thought to this.

Deputy Ponomarev then talks about the dangers faced by reform. He says the main outline of economic reform is correct and is not being criticized except by a few deputies. But the chief danger is the increasing social tension in society. He speaks of the need for a commodity umbrella to fill the shops. Moscow needs to have goods in its shops. The large cities, above all Moscow,

must have the commodities they need. There is no butter in Moscow. It is needed in two weeks, at the latest.

At 2153 GMT, Deputy Chelnokov talks about the atmosphere of price reform. He criticizes Shakhray for saying that criticism of the president is a deviation from constitutional and democratic norms. He supports Yeltsin, he says. But an extensive interview of his which was to have been published in the press today did not appear because editors considered that it contained too much criticism of Yeltsin. We have taken 10 steps away from the market, he says, rather than a step toward it.

Chelnokov then talks about the opportunities that the Mafia has to enrich itself and force prices up. We must integrate with the Western economy and fill our shops, he insists. We must get Western goods by trading in recycled goods—not on credit. We must not be euphoric over the market, we must be very critical of the whole situation. Criticism is healthy.

At 2157 GMT, First Deputy Premier Burbulis speaks. At 2215 GMT, Burbulis thanks deputies again for today's analysis. He welcomes professional cooperation over the coming months. This will make reform irreversible.

At 2216 GMT, Khasbulatov says the debate has been useful. The Supreme Soviet has adopted a businesslike attitude. The debate would not have taken place without some fairly tough criticism. Khasbulatov criticizes some reform-minded politicians for not tackling the iceberg of the state economy. He talks about agricultural engineering as an area where common sense has not prevailed. Price rises do not necessarily lead to profit. There need to be maximum prices for engineering products, he advises. We are not panicking, says Khasbulatov, referring to the Supreme Soviet. We have set up the legal basis for a market economy over the last two years. It is absurd to accuse us of panicking.

Khasbulatov then says that there have to be structural changes in the economy if privatization is to succeed, as economist Filippov correctly pointed out. The Supreme Soviet will of course cooperate with the government. We fully intend to cooperate and bear the blows of reform in order to make it succeed. As well as working on legislation, we must check on the actions of the government, monitor what it is doing and monitor it closely. Nobody should be surprised, therefore, if there is some tough criticism of the government. I am pleased with the debate, says Khasbulatov. I have already spoken with Yeltsin about some of the criticism, and with Burbulis. Should the government's report, Yeltsin's report, be taken note of, asks Khasbulatov. The government accepts that some amendments need to be made, especially as concerns taxation.

The program concludes at 2230 GMT.

Union, St. Petersburg Deputies Cited

LD1601174992 Moscow Mayak Radio Network in Russian 1200 GMT 16 Jan 92

[Parliamentary correspondent Lyudmila Semina report from the Russian Supreme Soviet building]

[Excerpts] Under discussion today at the Russian parliament is the complex and important issue of the socioeconomic situation in the Russian Federation in connection with the liberalization of prices. Yeltsin, the president of Russia, Gaydar, the vice premier, and Shumeyko, deputy chairman of parliament, have already spoken.

The deputies' debate that ensued cited grave errors and demanded that the government remedy its activities, although a majority of the deputies oppose its resignation. Klochkov, chairman of the Federation of Independent Trade Unions, said: We agree with the need for reform but we cannot accept the arbitrary actions of those who are hiking prices, failing to pay wages in full, and not reviewing pensions, benefits and grants. The government has been carried away with the process of falling consumption but is doing nothing to stimulate production.

More categorical still was St. Petersburg Deputy Konstantinov: Reform is doomed to a crippling defeat and we will become persuaded of this over the next month or two. Another government will then have to reinstate the hierarchy of government and only then embark upon removing monopolies, then privatization, and only then on the liberalization of prices. Parliament should reconsider its entire social and economic line.

I also wish to draw another speech to your attention, that of Deputy Baronenko. He noted that many measures have been started from the wrong end. Price liberalization has taken place without a market. We have thus left consumers at the mercy of monopolist producers. Privatization now needs to be started by urgently issuing shares for the assets of enterprises to overcome the alienation of the producer from the results of his labor. The trade sphere will never carry the production sphere with it. There were other specific speeches containing proposals for measures in agriculture and the military industrial complex. [passage omitted]

There was another interesting and important speech which did not touch upon today's topic of debate. This came from the chairman of the Constitutional Court, Professor Valeriy Denisovich Zorkin. He recalled that the decision of the Constitutional Court of Russia, which repealed the president's decree setting up a Russian Federation Minstry of Security and Internal Affairs as incompatible with the Russian Soviet Federated Socialist Republic Constitution, is a definitive decision. It is not subject to appeal and came into force immediately after being proclaimed.

This is what today in parliament has been like. The debate is continuing at the moment.

Khasbulatov, Burbulis on Prices

LD1601200192 Moscow TASS in English 1727 GMT 16 Jan 92

[By TASS correspondents Tamara Zamyana and Ivan Novikov]

[Text] Moscow January 16 TASS—Chairman of the Russian Supreme Soviet Ruslan Khasbulatov told today's parliament session he is satisfied with the discussion of Russian economic reforms' progress.

The chairman noted increased professionalism of the deputies. In his opinion, their knowledge of the situation has contributed a lot to the Supreme Soviet's ability to take the right stand in a difficult situation provoked by the liberalization of prices.

Explaining his position, Khasbulatov noted the session's criticism of the government is a normal thing and it should be taken calmly.

The trouble is that "The government's price policy does not lead to the expansion of the market sector: Due to price increases manufacturers can gain the same profits without extra expenses," the chairman said.

Deputies are determined to work in close interaction with the government, and "Take upon themselves the heavy blows for reforms, and all the responsibility for them." No one should be surprised at our estimations, Khasbulatov said and stressed he personally does not have special differences with the executive authorities.

Similar attitude was voiced by the First Deputy Government Chairman Gennadiy Burbulis. "We are unanimous in the diagnosis," Burbulis said, meaning the government and parliamentarians. "The economic disease is evident, and we are unanimous in the choice of means and methods of its treatment," he noted.

Regional Affairs

Further on Yeltsin's St. Petersburg Visit

PM1601131992 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 92 First Edition p 1

[TASS report under general headline "Boris Yeltsin on Tour"]

[Text] Continuing his working tour of Russian cities, President Boris Yeltsin arrived yesterday [15 January] morning in St. Petersburg. Answering journalists's question at the airport about his impressions from the tour, Boris Yeltsin said that this is a very difficult time for Russia.

"Privatization and free prices have led to uncontrollable consequences, and sometimes to serious abuses, which are being perpetrated, I would say, quite deliberately, for provocation purposes, in order to agitate people. This, of course, cannot but cause dismay. Of course, democratization is important here, but parallel with it there should be a strong executive power. This is my opinion. On the whole, the people are gritting their teeth and holding on. They say: We will be patient for six-eight months, or for the duration of 1992. But by the end of the year we are confident that economic stabilization will begin."

The president believes that the most important thing now is to protect unprotected people. And this should be done by the president, the Russian government, and the possibilities of raising revenue in the localities should be explored accordingly. Especially in relation to privatization, which, in Boris Yeltsin's opinion, is not progressing well in St. Petersburg, or indeed elsewhere. Despite the fact that all the legislative documents on this question have been adopted. The money from privatization will be directed above all toward the localities and used for giving social support to the disadvantaged strata of the population.

On Victory Square the president laid flowers at the monument to the city's heroic defenders in the Great Patriotic War years.

St. Petersburg Considers Selling Arms for Food

OW1701002292 Moscow INTERFAX in English 2139 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] Russian St. Petersburg parliamentarian Galina Starovoytova, Russian president's councillor, spoke Thursday [16 January] at the session of the St. Petersburg [as received] and called for a special customs regime in the city and a liberalized system of taxes on business operations. According to Starovoytova, this will make it possible to ease the crisis in the region. Starovoytova also spoke in favor of making an inventory in St. Petersburg of all defense industry output warehoused at the local storage places. According to Starovoytova, the Russian president is willing in case the food situation in St. Petersburg deteriorates to give the City Hall the right to sell the given military equipment and weapons abroad. Revenues from the sale of weapons will be spent on the emergency purchase of food in the West.

St. Petersburg Communist Party Registers

PM1601142592 Moscow PRAVDA in Russian 15 Jan 92 p 2

[Albert Petrushov report: "Communist Workers Party Registered"]

[Text] The Russian Communist Workers Party (RCWP), the first of Russia's political parties to have the word "Communist" in its name, has acquired the status of a party and all the rights of a legal entity. Registration certificate No. 585 was handed over at the RSFSR Ministry of Justice.

At the request of the organizing bureau we report that the party's leading organ—the Central Committee—is located in St. Petersburg (Leningrad) at the following address: 6, Proletarian Dictatorship Square.

The contact telephone numbers are 278-14-40 and, in Moscow, 924-82-18 and 142-27-39.

Moscow Bans Resale of Private Foreign Aid

LD1601223392 Moscow TASS International Service in Russian 1902 GMT 16 Jan 92

[By TASS correspondent Igor Belskiy]

[Text] Moscow, 16 Jan (TASS)—A decision by the Moscow Soviet today bans the selling in shops of charity aid arriving in the capital from foreign organizations and groups of citizens. Trade in "alms," which is what this aid is in essence, the deputies stated, is intolerable and its resale is criminal.

The possibility of selling humanitarian aid arriving in Moscow in accordance with international and other agreements in the retail sector is not excluded, however. This is the wish of the donors. United Europe feels that such deliveries would be a contribution to the Russian market that is currently being formed.

Moscow Seeks Trade With Regions, Republics

PM1601153192 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 92 First Edition p 1

[TASS report under the rubric "At the Moscow Government": "Direct Contact, Not Waiting for Aid"]

[Text] The emergency situation in the sphere of the provision of Moscow enterprises with the requisite resources has brought the city economy close to collapse. That conclusion was arrived at 15 January at a Moscow government session by specialists and leaders of sector components and departments. One would like to believe that we now have a guarantee of some improvement in the near future. That the machinery, rusty, but allegedly being overhauled, will start operating. Representatives of the former republics, now independent states, with which we had a common economy only yesterday, were invited to attend the session.

Of course, given the existing system, it is hard for industrial workers to arrange their own dialogue. They have been left out in the cold as a result of the division of the Union. For example, the state order still exists in the Ukraine, while the contract system is already in place in Russia. So far it has not been possible to combine these two forms...

But the Moscow government is evidently on the right road. Direct contact, rather than waiting for help from the Russian leadership, will be more effective and more tangible. A plan was outlined for prompt, specific measures. They include concluding contracts direct with republics' enterprises, setting up an operations headquarters, and also assigning government members to specific permanent missions.

The first steps have already been taken, Nikolay Shevelkin, chairman of the Moscow economic committee, said, and barter contracts have been concluded with Sumy Oblast for the supply of sugar, potatoes, and onions, with Turkmenia for the supply of dried fruit, fruit, and vegetables, and with Krasnodar Kray also for the supply of food.

Vorkuta Miners Appeal to Yeltsin, Kravchuk

LD1601220892 Moscow Radio Rossii Network in Russian 1100 GMT 16 Jan 92

[Text] The (RIKA) news agency reports that Vorkuta miners have addressed an appeal to the presidents of Russia and the Ukraine. The document notes that the situation in the coal sector is deteriorating each day. The breakdown in economic relations has lead to a sharp reduction in food supplies to Vorkuta miners, particularly from the Ukraine. In turn, Donetsk miners have lost mining timber from Russia. The appeal stresses that if, by the end of the month, the coal enterprises of Donbass do not begin to receive pit supports from Russia, the mines will be brought to a standstill.

Coal Miners End Strike at Vorkuta Mine

LD1601214292 Moscow TASS International Service in Russian 2028 GMT 13 Jan 92

[Text] Vorkuta (north of Russia), 13 Jan (TASS)—This evening the Vorkuta mine "Yur-Shor" resumed the extraction of coal. The collectives of the auxiliary sections, who have been on strike since January 9, indignant at the great difference in their December pay compared with the extracting sections, ended the strike. The strike paralyzed the mine. The extraction of coking fractions coal ceased. Work was only carried out that was needed to support the capacity of the mine. The concentrating mill has also been idle.

A conciliation commission has been set up. It includes representatives of the strike committee, the trade union committee, and the administration. As reported to a TASS correspondent by Nikolay Medvedev, chairman of the mine's trade union committee of the Independent Trade Union of Coal Industry Workers, an agreement was reached in the evening with the striking miners. A special protocol was signed and an interim clause regarding payment for labor at the mine was confirmed for January. In keeping with this clause, payment to workers in the auxiliary sections for their labor has been increased. A three-day period has been outlined for carrying out a recalculation for December and issuing the collectives of the auxiliary sectors with additional pay.

Now all Vorkuta's mines are working according to schedule.

Kuzbass Committee Controls Strike Situation

LD1601215492 Moscow TASS International Service in Russian 1634 GMT 15 Jan 92

[By TASS correspondent Grigoriy Shalakin]

[Text] Kemerovo, 15 Jan (TASS)—Aleksandr Aslanidi, one of the leaders of the council of working committees in the Kuzbass, commented in an interview to local television about the intention by representatives of the working movement in the Kuzbass to meet with Russian President Boris Yeltsin, who miners supported and still support. "We hope that the Russian Government will continue the reforms that have started more decisively but with fewer mistakes," he stressed. Noting high social tension in labor collectives, Aleksandr Aslanidi stated that local working committees have the situation under control.

As has been already reported, at a meeting between the Vorkuta miners and Ruslan Khasbulatov, chairman of the Russian Supreme Soviet, which was held in Moscow today, coal miners expressed support for the head of the parliament in his criticism of the government. "Enough experiments on the people!" was the statement of the meeting.

Regional Coal Output Figures Show Decline

LD1301171792 Moscow Mayak Radio Network in Russian 0520 GMT 10 Jan 92

[Summary] Representatives of Chelyabinsk metal workers are visiting Kemerovo Oblast to seek increased supplies of coal.

Many other enterprises around the country are also experiencing shortages of coal because of a decline in output. At the Pervomayskaya mine annual coal production has fallen by 1 million tonnes. At the Raspadskaya mine, production has fallen from 7.5 to 6 million tonnes a year. At Karagaylinskaya mine, production has fallen from 1.2 million to 200,000 tonnes. In all, Kuzbass coking coal output has declined by 15 million tonnes this year. Total Kuzbass coal output last year was 115 million tonnes, a drop of 30 million tonnes compared with 1990.

Sale of coal on direct contract has increased sharply from 10 million to 24 million tonnes, mainly to producers of consumer goods, as these contracts are the most profitable. State orders for supplies of coal to power stations amount to only 12.5 million tonnes while Kuzbass power stations alone require 1 million tonnes more than that. More resources should be put into increasing output; and miners, themselves, should adopt a more long-term economic view.

First Chechen Cabinet of Ministers Presented

LD1601222392 Moscow TASS in English 1812 GMT 16 Jan 92

[By TASS correspondent Sharip Asuyev]

[Text] Groznyy January 16 TASS—President Dzhokhar Dudayev on Thursday [16 January] presented for the endorsement of the parliament the composition of the first Cabinet of Ministers of the Chechen Republic. Dudayev will head the Cabinet himself with the assistance of a deputy and several advisors. The parliament has adopted a decree to institute the post of vice president. The candidate for vice presidency will be suggested by the president for parliamentary endorsement.

On the same day Dudayev made public his decree that enterprises in the territory of the Chechen Republic that had earlier been under the supervision of Union-Republican ministries should stop making any contributions to these ministries.

Novosibirsk's Pamyat Opposes Yeltsin, Others

LD1401112092 Moscow POSTFACTUM in English 1936 GMT 13 Jan 92

[From the "Politics" section]

[Text] On January 12, rally, sponsored by Pamyat (Memory) Patriotic Association (Novosibirsk division), was held under slogan Zionists in power - Russia in danger. Participants of the meeting - approximately 200 people, mainly pensioners and teachers, approved a draft decree on de-Zionization of management bodies, mass media and science, developed by the Pamyat Novosibirsk Patriotic Association (NPO). They also demanded to disband the independence declarations of former Union republics to institute criminal proceedings against Mikhail Gorbachev, Aleksandr Yakovlev, Eduard Shevardnadze, Vadim Bakatin and Yegor Yakovlev as traitors to the motherland. According to them, Russia's President Boris Yeltsin and his team should resign, while emergency committee members and political prisoners of fascist regimes be released and profiteering activities of numerous exchange and intermediary commercial structures suppressed through strict state control over the average limits of intermediary proceeds. Speaking at a meeting, Pamyat board member Vladimir Getmanov said that pendulum of public opinion has already moved to the opposite and will soon brush away the so-called democrats. Meeting participants demanded the Russian Federation leadership to immediately stop anti-popular policies of price liberalization and robbery privatization. They also stated about their readiness, in case their lawful demands are ignored, to go on an indefinite political strike and start armed struggle. Yuriy Safronov, City Worker Committee member, said that it is necessary to form right away worker brigades and units at the city enterprises.

Trans-Baykal Wants Military Oath Suspended

LD1301235392 Moscow POSTFACTUM in English 1124 GMT 10 Jan 92

[From the "Military News" section]

[Text] On December 9 officers' assembly of the 12th artillery division of the Trans-Baykal Military District

demanded to suspend the taking of a military oath of allegiance on the territory of the former USSR.

In an appeal of the officers' assembly entitled to presidents of the countries of the Commonwealth of Independent States (CIS), commander-in-chief of the CIS Armed Forces, parliaments and peoples of the CIS this measure is proposed only for the transitional period, until interstate treaties on friendship, cooperation and mutual assistance, inviolability of state borders are adopted and until the adoption of legislative acts regulating the formation of armed forces of independent states and major legal documents in CIS states, namely the law on defense, law on army service, and the law on the status of military servicemen and troops on the territory of the CIS. For this period it is proposed to preserve united CIS armed forces under the united command.

The assembly demanded that an all-army officers' assembly denounces hasty actions of commanders of Ukrainian Armed Forces to take the new oath of allegiance. We consider the preservation of united armed forces during the transitional period to be a guarantee of stability and security of transformations underway in the CIS, says the appeal.

The appeal also contains a demand to provide legal guarantees to servicemen and members of their families undergoing service in CIS Armed Forces and after discharge from the ranks—free choice of place of residence, guaranteed pensions, provision of housing in predetermined time limits and preservation of all benefits and civil rights on the territory of the CIS. Because of price liberalization the officers' assembly demands that salaries and rank-related pay to the servicemen was established at a level corresponding to the minimal wage on the territory of the given state, so as to maintain a decent living standard for servicemen and members of their families.

Belogorod Servicemen Threaten Rail Blockade

PM1601122992 Moscow ROSSIYSKAYA GAZETA in Russian 14 Jan 92 First Edition p 1

[ROSSIYSKAYA GAZETA, RIA, TASS column report: "Servicemen Picket"]

[Text] In Belgorod reserve servicemen and the members of their families today protested against their lack of social protection by picketing the House of Soviets. Assembling in a park opposite the oblast administration head's quarters, a group of a hundred people put forward their demands to the leadership. The gist of these demands is that the decision of last November's oblast soviet session to urgently review the question of providing homes for reserve servicemen and their families is being ignored. As of today 95 such families, desperately in need of apartments, have been forced to rent places from private home owners. At the same time more than 250 apartments have been vacated in the [oblast] capital, and have not been occupied for more than six months. If these demands are not met, the picketers are prepared to resort to the extreme measure of blocking the railroad at Belgorod Station.

Novogorod Officials' Economic Moves Resisted

PM1601120592 Moscow PRAVDA in Russian 15 Jan 92 p 1

[Report by PRAVDA correspondent Yuriy Smulskiy and TASS correspondent Viktor Troyanovskiy under the "Requiring a Solution" rubric: "To Break Is Not To Build"]

[Text] Novgorod Oblast—Mikhail Prusak, head of Novgorod Oblast Administration, broke 10 Russian Federation laws at once in publishing the resolution "On Temporary Measures To Prevent the Unlawful Export of Raw Materials and Output from the Oblast."

This document, adopted last December, virtually broke off all the oblast's economic ties with the outside world. Of course, this ban met with a stormy response from specialists and labor collectives.

The oblast prosecutor's office lodged a protest against the resolution, because it runs counter to Russia's laws on ownership, on enterprises and entrepreneurial activity, on local self-management, and others.

Commenting on it, Deputy Prosecutor Mikhail Soprykin emphasized that the administration's decision was an act of lawlessness, legal nihilism, and arrant parochialism. Because, as long ago as July, a decree by the Russian Federation president had proclaimed the oblast a free enterprise zone.

Not only the prosecutor's office but also A. Kuznetsov, the Russian president's representative, protested at the administration's resolution. The decision was repealed.

On the other hand, another one appeared: "On Improving the Management and Rational Utilization of Forests." Again a wave of discontent arose. This time among forestry workers and working people on state and collective farms. It turns out that they are no longer masters of their own land, which it is proposed to transfer to a newly fledged committee for forest management under the administration.

Once again the prosecutor's office is lodging a clear and logical protest.

The new administration's desire to improve the activities of particular structures is laudable. The people of Novgorod Oblast are also impressed that an attempt is being made to limit the export of resources from the oblast. But by what means?

It is no secret that the "Novgorodlesprom" Association, for example, is working stably and pays into the oblast budget many millions of rubles and currency every year.

Maybe we should not be in a hurry to destroy an association which has shown itself to advantage but, on the contrary, should help it?

Krasnoyarsk Bans Acceptance of Nuclear Waste

OW1101013792 Moscow INTERFAX in English 1937 GMT 10 Jan 92

[Transmitted via KYODO]

[Text] Under a resolution adopted by the local government body late last year the Krasnoyarsk territory will take no more wastes from the nuclear power stations of the dissolved USSR. The measure was taken in response to cuts in food supplies from those regions where nuclear power plants are situated.

The authorities of the Krasnoyarsk territory are going to have negotiations with South Korea on accepting nuclear wastes for temporary storage.

International Affairs

Czech Leader Pithart Concludes Visit

LD1501223392 Kiev Radio Kiev in English 0100 GMT 11 Jan 91

[Text] Today the head of government of the Czech Republic, Petr Pithart, completed his official visit to Ukraine. He held talks with the state minister of Ukraine on issues of the defense complex and conversion, Viktor Antonov, and the chairman of the standing commission for foreign affairs of our national parliament, Dmytro Pavlychko. Petr Pithart's visit summed up a memorandum [as heard], which was signed by him and the first deputy foreign minister of Ukraine, (?Mykola Makarovych). The document registers the basic [word indistinct] of relations between this republic and the Czech Republic.

Parliamentarian on Baltic-Black Sea Alliance

LD1601165592 Kiev Radio Kiev International Service in English 0100 GMT 16 Jan 92

[Text] The chairman of the Commission of International Affairs of Ukraine's Supreme Soviet, Dmytro Pavlychko, while visiting together with a Ukrainian delegation Vilnius on occasion of the Day of Defenders of Lithuania's freedom [13 January], stated the following:

Participation of independent states in the Commonwealth is viewed by Ukraine as a transitional period. Ukraine's aim is to become an equal member of the European Community.

Another member of the delegation, Chairman of the Ukraine's People's Movement Ivan Drach, suggested to the Lithuanian part to consider the issue on the possibility of creating a Baltic-Black Sea alliance which would include Ukraine, Baltic states, and other European countries which will have a desire to join the alliance.

National Affairs

Further on Kravchuk's Television Address

LD1601202792 Moscow TASS in English 1847 GMT 16 Jan 92

[By UKRINFORM correspondent Sergey Balykov—TASS]

[Text] Kiev January 16 TASS—Ukrainian President Leonid Kravchuk, appearing on Ukrainian television said Ukraine has a serious legal basis for the construction of its armed forces. The text of his televised statement was published by the Ukrainian press on Thursday [16 January].

"We shall be building our armed forces on the basis of legal norms, international agreements and the agreements adopted in Minsk and Alma-Ata", Kravchuk said. "We don't want a concept of national armed forces to be imposed on us. We wish to decide these matters through negotiations and consultations".

Speaking of the situation regarding the Black Sea Fleet, the president said Ukraine is accused of intending to appropriate the entire fleet, although not one of the Ukrainian leaders ever said so. "It was only said Ukraine has a right to its own fleet and to building it on the basis of the Black Sea Fleet, but the concept of the fleet has not yet been worked out in the republic". "Ukraine probably will not need 300 naval ships, nor does it need nuclear-armed ships".

Kravchuk said Ukraine which exerted so much effort and contributed so much funds to the construction of the armed forces of the former Union should have a right to some part of them. "It turns out that only one republic has the right to all the armed forces, while others are denied this right", the Ukrainian president said. "We cannot agree to this and we shall never will [as received]. We shall be upholding the interests of Ukraine and its people".

Kravchuk warned that continued confrontation can arrest the democratic process and make reforms collapse. "The media of the former Union and some Russian leaders grossly interfere in our affairs and do not stop at insults when interpreting our policy", the president said.

"Imperial ambitions go so far as to amount to contempt for the state. Ukraine will make an official statement to the Russian parliament, government and president to demand an end to interference in Ukraine's internal affairs", Kravchuk said.

Kravchuk disagreed with actions of Russian President Boris Yeltsin and Commander-in-Chief of Armed Forces of the Commonwealth of Independent States Yevgeniy Shaposhnikov who decided to promote officers and generals serving in the Ukrainian territory. Kravchuk assessed this step as interference in the competence of an independent state and an attempt to take on its problems+.

Remarks on Coupons, Rubles

LD1601172492 Moscow Radio Rossii Network in Russian 0700 GMT 16 Jan 92

[Excerpt] Speaking on republic television, Ukrainian President Leonid Kravchuk stated that in February Ukraine will have enough coupons to remove all rubles from circulation throughout the republic. [passage omitted]

Kravchuk Speaks at Journalists Congress

LD1601221892 Kiev Radio Kiev Network in Ukrainian 0600 GMT 16 Jan 92

[Report by station correspondent Yuriy Horban on extraordinary Congress of Ukraine Journalits in Kiev on 15 January, including recorded remarks by Ukrainian

President Leonid Kravchuk made at the congress; introduced by unidentified announcer]

[Excerpt] Will the Ukrainian periodicals survive in the conditions of an absence of paper, excessive taxes, and dangerous prices on deliveries? These are the main questions considered by the extraordinary Congress of Journalists of Ukraine, which began work yesterday in Kiev. Our correspondent Yuriy Horban reports:

[Horban] Apart from the problem of survival, witnessed by the fact that on the opening day of the congress there were no Ukrainian newspapers in kiosks due to a paper shortage, the congress delegates will discuss new rules of the trade union and will elect ruling bodies. One more circumstance could not fail to (?influence the course) of the congress. The anti-Ukrainian campaign is now being carried out in the former central mass media. It even came to the point whereby the newspaper TRUD, through the words of Mikhail Poltoranin, minister of press and information of Russia, accuses Ukraine's president of nationalism.

The congress delegates and Leonid Makarovych [Kravchuk], who was present at the congress, described this as interference into the internal matters of an independent state. Incidentally, such statements by members of a neighboring state government in the civilized world are met with notes of protests at the highest level. Is it not time to do the same for our government too? But the possibilities of the mass media of the Ukraine are restricted to the territory of our state. It apears the president understands this.

[Kravchuk] We cannot be silent and we will not be silent. We will not let someone somewhere decide for us, whoever he may be—great or famous, a democrat or a partocrat, a nationalist or a communist. We will not allow it. You see how it has already begun—nationalist-communist leaders. They have after all again added a word which can bring grief to people. I have been saying and am saying to you that the Ukrainian Government, the parliament of the Ukraine will never allow (?speeches) in the Ukraine that would put a person of whatever nationality in a discriminatory situation. We will never allow it, and this is not just words. We act in a corresponding way and we will act because we are building a citizens' society, not under a national sign but under a sign of citizenship.

It is an honor to be a citizen of the Ukraine; it is an honor, regardless of the nationality. But we are imposed upon by one and the same idea all the time—an army of the national sign, it is [words indistinct] in order to set against one another. This policy is already known. [Words indistinct] against out changes have been playing on it for ages. Therefore, I am talking to you about it consciously in order for you to know our position. We will defend the interests of the people of Ukraine to the end, and nobody will turn us from this path. Nobody will frighten us.

As for the press, we will do—I am saying it to you at the congress—all we can do is what is within our possibilities in order to support the Ukrainian press. [passage omitted]

'Almost 50,000' Servicemen Swear Allegiance

LD1601194192 Kiev Radio Kiev in English 0100 GMT 16 Jan 92

[Text] Almost 50,000 servicemen of Ukraine's Armed Forces have already sworn allegiance to Ukraine's people. Among them are not only Ukrainians but representatives of other nationalities as well. Only several dozen officers and soldiers have refused to swear on various reasons. According to Ukraine's Defense Ministry, the basic portion of troops stationed in the Republic will swear allegiance to the people from 15-20 January.

Republican Party Issues Statement on CIS

LD1601161692 Kiev Radio Kiev International Service in English 0100 GMT 16 Jan 92

[Text] A statement of the Ukrainian Republican Party has been published today [15 January].

In part, the statement says that begining from 1992 the leaders of the Russian Federation and its mass media give a distorted picture of the process of creation of Ukraine's army. The state figures of Russia, the military generals of the former Union of the SSR [Soviet Socialist Republics] depict the process of the creation of Ukraine's armed forces as a unilateral violation by Ukraine of the Minsk agreements. This is an open falsification of the agreement on the Commonwealth of Independent States [CIS] and can be considered only as a political provocation against the Ukrainian state, underlines the statement.

Taking into account the facts of flagrant violation by the high Russian side of the agreement on the Commonwealth, the Ukrainian Republican Party thinks it impossible for Ukraine to be a member of the Commonwealth of States any longer.

Central Bank President on Financial Problems

AU1701094692 Vienna WOCHENPRESSE in German 16 Jan 92 pp 32-33

[Interview with Ukrainian National Bank President Volodymyr P. Matvyenko by Franz C. Bauer; place and date not given: "As of February, the Ruble Belongs to our Republic's Past"]

[Text] [Bauer] Since the declaration of independence of the Ukraine, many Ukrainian economic experts and politicians have traveled to the West in recent weeks. Why?

[Matvyenko] Since the Ukraine is a new state, its policies must be reorganized, including its foreign and economic

policies. This policy is aimed at achieving a respected place in the international community and economy, and at developing independent cultural relations with other countries.

[Bauer] That sounds very general. How do you intend to achieve that in practice?

[Matvyenko] The Ukraine already has close relations with Western countries, including France, Great Britain, Germany, and Austria. Of course, there are problems that are particularly pressing now. For instance, the Ukraine exports goods to 93 countries, including metals, iron ore, chemical products, machinery, agricultural products, and electricity. Electricity is also supplied to Austria. The bills are no longer handled by the Vneshekonombank, but by the Ukrainian central bank. That is why I went to London and other European cities several times.

[Bauer] Did you only go there to collect money? That is hard to believe.

[Matvyenko] Of course not. We must set up a functioning infrastructure for our banks. We are currently exporting substantial quantities of goods, but we do not receive foreign currency. That is a consequence of Vneshekonombank's bankruptcy. Imports and exports must be boosted further, and for this purpose, we must have a functioning clearing system.

[Bauer] Western media have reported on increasing tensions between the Ukraine and Russia. You are quarreling on the Black Sea Fleet, among other things, and some sources even speak of impending war. Do you believe that this situation is encouraging Western companies to do business with you?

[Matvyenko] That is, of course, correct. The tensions certainly have a negative effect. I do not think, however, that this will lead to a serious conflict. The process leading to the founding of the Ukraine has also had negative effects. You are right, it is very difficult to get Western capital and credits. The Western banks are too cautious. I do not see why.

[Bauer] The problem probably is not just credits but also direct foreign investments in the Ukraine. How about that?

[Matvyenko] The first few representatives of Western business and industry are already working in the Ukraine. There is a government decision permitting the export of foreign currency and foreign currency securities. The privatization process has already begun in practice.

[Bauer] Can Western enterprises buy majority shares in Ukrainian companies or in joint ventures?

[Matvyenko] Of course.

[Bauer] An important prerequisite for the economy is monetary stability and confidence in the currency. The West does not really know what your experiment with the coupons means.

[Matvyenko] That may be true. A difficult situation has been created as a result of the ruble zone. When Russia became independent, the companies printing the money and the mechanisms circulating it fell under Russian jurisdiction, and the Ukraine did not get rubles any more. That is why we introduced the system of coupons, which have been in circulation since 10 January.

[Bauer] Somehow it all looks a bit improvised.

[Matvyenko] The coupons constitute the first step of monetary reform. Salaries are paid only in coupons and the rubles are withdrawn from circulation. Later we will decide what we are going to do with them. In this respect, we are trying to prevent an imbalance being created between the coupons and the supply of goods. You could describe this as a restrictive monetary policy. At the same time, parity is being fixed between the coupon and the ruble and the coupon and the dollar. As of February, the ruble will no longer be valid in the Ukraine. In the second half of the year, a separate currency will replace the coupons.

[Bauer] What will the new currency be called?

[Matvyenko] Probably the gryvna. This has historical reasons. Such a currency existed before, when the Ukraine appeared as a state entity after the October Revolution.

[Bauer] Will your gryvna be a convertible currency?

[Matvyenko] That is our plan. First we will cope with the budget deficit and our state debts, then we intend to intensify gold production.

[Bauer] Even though the price of gold is currently not very high, the extent of Ukrainian gold deposits will probably reassure some investors. What other guarantees can you offer Western companies and creditors?

[Matvyenko] To begin with, the creation of a functioning banking structure, with Western banks being permitted to open branch offices in the Ukraine.

[Bauer] Are there any indications that the West is interested?

[Matvyenko] Dresdner Bank and Credit Lyonnais are completing application forms, and there are private bankers who are interested. I also believe that good contacts could be established with Bank Austria. At the beginning, credits are important to boost the economy. As the central bank, we are permitted to give guarantees for schilling credits. To reiterate, there are extensive gold reserves in the Ukraine.

[Bauer] Is that the only guarantee?

[Matvyenko] The gold reserves are a convertible currency. That should be sufficient.

[Bauer] Are you planning to become a member of the International Monetary Fund?

[Matvyenko] There have been repeated meetings. We are expecting a favorable decision—after our currency has been introduced, of course. There are also plans to bind the Ukraine into the SWIFT [Society for Worldwide Interbank Financial Telecommunication] system.

[Bauer] What incentives are you offering Western investors, and in which sectors are you primarily interested?

[Matvyenko] Certainly the most important incentive is to take part, from the beginning, in opening up a new market. After all, 52 million people live in the Ukraine. The Ukraine produced one-third of the Soviet Union's agricultural production and half its iron. Our strength lies in mechanical engineering. Regrettably, the Ukraine had to commit itself quite considerably to the arms industry and we are paying dearly for it today. In Donbas, for instance, an ammunition factory is currently being converted into a printing press for currency. The Ukraine is also very good at producing aircraft and building ships.

[Bauer] What foreign investments would be most interesting for you?

[Matvyenko] The modernization of agriculture is certainly important and worthwhile, also the metallurgy and power sectors. As I said, your country is also one of our customers. Our workers and engineers are well-trained. Many of them worked in a modern arms industry. In addition, the Ukraine was a space travel center. It must be said that investors from the Far East—Korea and Singapore, for instance— and from the United States, Canada, and Israel, act faster and more resolutely. Europe is also represented, but it is more cautious.

Consumer Coupons Traded on Black Market

LD1601155592 Kiev Radio Kiev International Service in Ukrainian 0100 GMT 16 Jan 92

[Text] New reusable consumer coupons are being actively sold and bought on the black market in the city of Kharkov. The exchange rate of one coupon to a ruble is 1:5 or 1:7.

Novomoskovskiy Deputies Reject State Order

PM1601155092 Moscow ROSSIYSKAYA GAZETA in Russian 16 Jan 92 First Edition p 2

[TASS report: "Rayon Soviet Refuses To Accept State Order"]

[Text] The people's deputies of Novomoskovskiy Rayon Soviet in Dnepropetrovsk Oblast have embarked on a confrontation with the state. After discussing at a session the state order sent down "from above" for the sale of agricultural produce, they decided not to fulfill it.

This step by the local authorities cannot be called unexpected. Because of frequent hitches in deliveries of machinery, materials, and fuel, the kolkhoz leaders have long been threatening the bosses with drastic retaliatory measures.

Clear signs that the situation is not going to improve were the cause of the "mutiny" by the deputies, who are mainly farm leaders. They are demanding firm guarantees, and nobody is worried about the possibility of a further exacerbation of the disorder that already exists. An intensive search for more beneficial solutions is under way. Figures for the planned sale of produce will appear soon, and are expected to be lower than the indicators in the state order.

Kharkov Tank Plant's Civilian Products Shown

PM1601154592 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1900 GMT 14 Jan 92

[From the "Novosti" newscast: Report by V. Pidchenko and A. Dovgal]

[Text] [Pidchenko] The Kharkov tank plant's latest output is predominantly civilian and it is output which our reviving economy and our consumers urgently need. Here, for example, you see some four-wheeled 17-horsepower all-terrain vehicles capable of speeds of up to 60 km an hour that will find extensive uses in farming. Here are trailers for these vehicles, which are also suitable for minitractors and for passenger cars. In addition, the plant has begun the production of liquefied gas tank sets, which are in extremely short supply. Car owners can fit these tanks to their vehicles so they can use liquefied gas instead of expensive gasoline. One tankful is enough for more than 600 km. Also as part of the conversion program, they have begun producing small diesel motors, mobile generators, 25-tonne truck cranes, and tracklaying highway construction vehicles. Orders are coming in from all the countries of the Commonwealth.

Moldova

Deputy Armed Forces Commander Holds Talks

LD1601215192 Moscow Radio Rossii Network in Russian 1300 GMT 16 Jan 92

[Text] Colonel General Genkov, deputy commander of the Commonwealth Armed Forces, has arrived in Moldova for talks about military issues. He has met President Mircea Snegur in Kishinev. In particular, according to the ANI agency, the situation regarding the troops of the Odessa Military District deployed on the left banks of the Dnestr has been discussed at this meeting. It has been noted that these troops have come from the center as well as from Moldova.

Further on President Snegur's Allegiance Oath

AU1601214192 Bucharest ROMPRES in English 1938 GMT 16 Jan 92

[Text] Chisinau [Kishinev], ROMPRES, 16/1/1992—Taking the floor during the solemn session of the parliament of the Republic of Moldova when he took his oath of allegiance to the people, president of the republic, Mircea Snegur said, referring to relations with Romania:

"Relations with Romanians hold a special place in our relations with other countries. There are too many things linking us to the Romanian people not to try to have close ties with it. We cannot but go along well with our brothers despite some's political and mean ambitions. But no matter how fruitful our cooperation with Romania our road to independence should not be doubted," MOLDOVA PRES agency reports.

The session of the parliament of the Republic of Moldova continued in Chisinau on Thursday, January 16. It endorsed the bill on cooperation and—at first reading—the bill on state monopoly, MOLDOVA PRES reports.

The parliamentarians also started debating the bill on fiscal service.

Hungarian Foreign Minister Visits 16 Jan

OW1701015292 Moscow INTERFAX in English 2139 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] On Thursday [16 January] Hungarian and Moldovan Foreign Ministers Geza Jeszenszky and Nicolae Tiu signed a protocol of intentions to establish diplomatic relations. On a one-day official visit to Moldova, the Hungarian minister talked with Moldovan president Mircea Snegur and premier Valeriu Muravski.

Snegur expressed satisfaction that Moldova and Hungary did not have to organize bilateral ties from scratch. Moldova has joint companies with Hungary and the republican agriculture and industry uses Hungarian technology.

Speaking of the Commonwealth, the Moldovan president emphasized once again that Moldova was not going to isolate itself within its borders. "We'll be represented in different communities that offer economic benefits to Moldova," said he.

The Hungarian foreign minister promised aid in integrating Moldova's economy into European economic structures. Hungary regards it as important to have diplomatic relations with the neighbors and "seeks good relations with each of the two Romanian states," said the Hungarian minister. Hungary is the second country after Romania to establish diplomatic relations with Moldova.

Tiu Comments on Relations

AU1701115192 Bucharest Radio Romania Network in Romanian 2036 GMT 16 Jan 92

[Report on Hungarian Foreign Minister Geza Jeszenszky's visit to Moldova by Chisinau (Kishinev) Radio reporter Victor Marinescu in Chisinau on 16 January—recorded; Jeszensky speaks in Hungarian with superimposed Romanian translation; translation is from the Hungarian]

[Text] [Marinescu] The date of 16 January 1992 will go down in the history of the Republic of Moldova as a good start for international diplomacy. Geza Jeszenszky, the Hungarian foreign minister, is the first foreign personality who has visited our republic and signed, with his counterpart Nicolae Tiu, a bilateral accord. This is the first official act at the government level in Republic of Moldova international relations.

At the beginning of his visit, the guest held a meeting with President Mircea Snegur. During this meeting the sides discussed several essential issues related to the geopolitical situation of Moldova and possible ways to develop the Republic's relations with Europe, including Hungary. Jeszenszky was interested in the problem of minorities in the republic, Moldova's position toward Romania, issues of human rights observance, and ways to establish democratic principles in the continuous development of the country. The sides agreed that, in principle, one cannot talk about difficulties in Moldovan-Hungarian bilateral relations and that this relationship should be developed in the future too.

After the meeting with Snegur, Jeszenszky also met with Prime Minister Valeriu Muravschi. The dialogue focused on the economic potential of Moldova and its readiness to develop trade. Jeszensky noted the need to set up banking facilities in Chisinau [Kishinev] and Budapest which could facilitate financial operations between the two countries. They discussed the beginning of the transition to the market economy, a process which began this month in Moldova and in the other republics of the former USSR. Muravschi explained the major

economic problems of the republics, including the need for a customs policy and the need to introduce a national currency. The prime minister also noted that Chisinau-Budapest economic relations must continue on the basis of new, progressive principles of development. Moldova sees in these relations a favorable opportunity for integration in the European community. Jeszensky's visit was concluded with the signing of the bilateral accord. Immediately after this important event I requested an interview with both diplomats:

[Tiu] We are clearly moving to the second, new stage in our relations with the European countries, because so far about 70 countries have recognized us and these are the first steps toward beginning new and direct relations with these states. Thus, today we have signed a protocol on establishing diplomatic relations between Moldova and Hungary and we signed a communique. That is, we are directly passing to the stage of establishing bilateral economic relations which can assist us in making ourselves more independent from Moscow and in bringing us closer to Europe.

[Marinescu] Mr. Minister, do you see this accord as a bridge between Europe and Moldova?

[Tiu] Certainly, because by starting direct relations with the European countries we have the opportunity to integrate into Europe, although, as a matter of fact, we are in Europe already. I am thinking of the opportunity for us to get access to the advanced technologies of European countries and to create favorable conditions that can pull us out of today's economic crisis and other types of crises.

[Jeszenszky] As far as Hungarian representation is concerned, we intend to have a representative here in Chisinau as soon as possible. This will not be a large mission but we consider it important because direct relations should be maintained. In this way we will be able to directly discuss and solve those issues that Minister Tiu talked about, issues that were included in our agreement, and issues that will form the basis for concluding new agreements.

Article Assesses Independence Prospects

PM1701104592 Moscow IZVESTIYA in Russian 16 Jan 92 Morning Edition p 2

[Article by Eduard Kondratov: "Moldova: Independent State or Province of Romania?"]

[Text] Kishinev—What Moldova will be in the next few years—a unified independent state, three warring territories, or a province of Romania that has abandoned nearly 0.5 million fellow countrymen across the Dnestr—depends on whether or not there is an election there soon.

It is tiresome to live when you do not know what awaits you tomorrow. The uncertainty is both frightening and oppressive, it stops people working and plunges them into apathy. And although people in all corners of our former power feel much the same, the inhabitants of Moldova, unlike the inhabitants of Armenia, Kazakhstan, or Belarus, do not know, when they go to sleep, do not know what country they will be in tomorrow. Well, not tomorrow, but in one month's time or six months' time. Although President Mircea Snegur assures the world that Moldova will not turn from the course of independence and has no intention of uniting with anyone in the world, the People's Front has ordered Moldova Westward and is trumpeting a prayer for the dying increasingly loudly.

Ex-Prime Minister M. Druc, making prophesies on the squares, even cites the exact time for Moldova's reunification with Romania—July this year. And the absolutely impatient parliamentary deputy I. Bratu, with a scandalous reputation based on his political exploits on the wrong side of the law, threatens to raise up the ardent Romanian patriots and sweep away the border by 27 March. Today any reservation or ambiguity on the lips of an official immediately provides a pretext for political speculations and accusations—either of hatred of Romania or of encroachment on independence.

The uncertainty of Moldova's future alarms not only the Russians, Ukrainians, Bulgarians, and Gagauz, which is natural, but also the "indigenous majority" of its population. Entrepreneurs, plant directors, and stock brokers from the Baltic to the Pacific are far from indifferent to what Moldova's future will be like. They react very sensitively to changes of color in its political rainbow and to the way that promising contracts are bursting like bubbles, treaties are being postponed, and deals are being cancelled. Businessmen need to know for sure what their partners are when they enter into a deal—whether they are dealing with a stable independent state responsible for its commitments or with what is nearly a province of Romania and just you try asking it for anything afterward...

So that it is easy to understand the persistence of the president who insists that Moldova's independence has been approved nationwide and has become legitimate, as it is fashionable to say. At a session on New Year's Eve M. Snegur urged the deputies to adopt a law on a referendum as soon as possible so that later, having polled the population, they can determine definitively whether Moldova is to live by itself or as part of Romania. But the parliament presidium conducting the session somehow maintained an aloof silence. The president's request was essentially ignored. The draft law on the referendum is still somewhere far away on the marathon agenda and they will obviously not get to it soon. And that without doubt plays into the hand of those who nurture the hope that the aggravation of the contradictions in the CIS [Commonwealth of Independent States] will lead it to a crisis and to collapse.

The opposition—both overt and clandestine—is counting no less on the inevitable escalation of economic difficulties. The harder the winter and spring are for

Moldova's inhabitants, the more confidently and loudly it will be possible to repeat that salvation lies in spitting on rubles and replacing them with the lei and, having abandoned the sinking semi-empire known as the CIS, returning to the maternal all-Romanian bosom. And, of course, without any referendums. Why are they necessary? No one was interested in the people's opinion either in 1918, when Bessarabia joined Romania or in 1940, when the Mongolian Soviet Socialist Republic was created—politicians, if not one group then another, have always resolved everything.

Actually, in contrast to the loudmouthed leaders of the People's Front, none of the leaders of the parliament presidium is openly objecting to Snegur, either from the rostrum or through the press. But it is an open secret that the very idea of a referendum gives rise to their fierce resistance, which was clearly shown by the recent parliamentary skirmish when 136 deputies, taking advantage of their constitutional right, demanded from the presidium the same thing that Snegur was later to request from parliament. At the time the newspapers attacked th supporters of the referendum and the presidium sternly declined the proposal of the 136 and in response at the next session the deputies raised the question of confidence in the parliament presidium and its chairman Aleksandr Moshanu.

The parliamentary coup failed, but the opponents and supporters of Moldovan-Romanian unification became even more sharply divided. In December a national reunification council emerged and it was joined by 45 deputies from the Romanian parliament and 35 from the Moldovan parliament. Then the list increased still further and although it does not include the names of the Moldovan parliament presidium big shots—A. Moshanu, his first deputy I. Khadyrke, and presidium secretary I. Tsurkanu—their platform is known to all. The leaders of the People's Front, who include many deputies, are constantly repeating that the Moldovans, that is to say "the Romanians living on occupied territory" have no more cherished desire than to fall into the embraces of their brothers across the Prut.

It is difficult now for Mircea Snegur, who at a ceremonial parliament session 15 January took an oath of loyalty to the people and delivered an hour-long inaugural speech. The opponents of the president's course are far more vigorous, dynamic, and vicious than his supporters, who are in a permanent and to be frank sluggish state of defense. But in the parliament itself Snegur nonetheless has more supporters than opponents.

A poll of the entire nation will give Snegur a real chance of preserving Moldova's integrity since the fear of suddenly being part of Romania frightens the Gagauz and Left Bank inhabitants away from Kishinev far more powerfully than all other political differences. Only an all-Moldovan referendum could become an argument in the eyes of the Dnestr people in favor of Moldova's going over to Romania not being predicted in the foreseeable future. No one doubts that the absolute majority of Moldovans and non-Moldovans will vote for independence.

That is why a referendum must not be allowed, the opposition believes, and it is ready to embark on a split right up to withdrawing from parliament. I. Tsurkanu said that the anti-Romanian sentiments which have been implanted for decades have so deformed the masses' consciousness that today the Moldovan people cannot understand what they really need. In addition, if the results of the referendum announce the Moldovans' reluctance to unite with the Romanians, that will be assessed by their brothers across the Prut as an insult and will deal a severe blow to the idea of all-Romanian unity.

What social strata are taking part in the parliamentary tug of war? The deputies who support reunification with Romania are mostly in the humanities field. For them, poets, journalists, artists, lawyers, writers, and higher educational establishment professors—historians, philosophers, and literary critics—unification with Romania signifies (let us leave aside higher matters) the expansion of their professional and cultural ambit and new opportunities for literary and scientific publications, contacts, and European ties. In brief, it provides a "leap to the West." For the ambitious politicians like M. Druc who have failed in Moldova or those who, like Yu. Roshka, the Moldovan leader of the People's Front, have not yet reached the longed-for heights of power, participation in "the return of the occupied territories to Romania" signifies not only the opportunity to earn political capital across the Prut but also the chance to earn a paragraph in the "History of Romania."

And which parliamentarians oppose unification? First, all non-Moldovans. Second, the pragmatists. Peasants, the technical intelligentsia, economic leaders, former soviet and party workers. The older generation of Moldovans has not yet forgotten the prewar years which passed under the protection of the Romanian crown. Rural pensioners recall the gendarmes and magistrates who constantly had them beaten up. Somewhat younger collective farm members are worried that the landowners who emigrated from Bessarabia may return and the majority of city dwellers are repelled by the prospect of living with the constant sense of being "second-rate Romanians."

As for the "holy duty"—returning its former lands to Romania—the supporters of Moldova's independence believe that the recent sharp turn in history has made this demand somewhat dubious. At least contentious. Is it not strange to speak today of an "occupied territory" if the "occupier" itself, that is the USSR, no longer exists, and if the army is to become a national army and Moscow has no power over Kishinev?

So what kind of future awaits Moldova? Perhaps the decisive word will nonetheless go to the people who live on this land?

Kazakhstan

Nazarbayev Press Service Denies Nuclear Exports

LD1701113292 Alma-Ata Kazakh Radio Network in Kazakh 0100 GMT 17 Jan 92

[Text] There have recently been reports in a number of the mass media of certain states, including the United States, alleging that Kazakhstan has started trading nuclear technology, equipment, and raw material. Iran and Turkey have been mentioned as customers.

In this connection the press service of President Nazarbayev of the Republic of Kazakhstan is authorized to state that such assertions do not correspond to reality. The Republic is strictly following the obligations it has taken on both to the Commonwealth of Independent States [CIS] and to the world community concerning the nonproliferation of nuclear weapons. In accordance with the agreements adopted in Alma-Ata on 21 December 1991 Kazakhstan, like the other CIS members, undertook not to pass on to anyone nuclear weapons, nuclear explosive devices and technology, and also control of them. Here also the Republic will in no way help other states not in the possession of nuclear weapons to produce or acquire them.

As for sales of uranium, the Republic has stocks of this raw material, and in the future intends to arrange sales of it, including abroad. However, these steps will be undertaken in accordance with international norms in agreement with the IAEA [International Atomic Energy Agency], which will be provided with the necessary information and documents.

Prime Minister Meets Miners' Representatives

LD1601214692 Alma-Ata Kazakh Radio Network in Kazakh 0100 GMT 15 Jan 92

[Text] Kazakh Prime Minister Tereshchenko, who is in Karaganda, met yesterday with representatives of miners' collectives in Karaganda. Together we must find answers to many questions caused by the transition to the market, he suggested to the miners. The situation in the coal basin is extremely complex. The Upeshka mine, which has been on strike for a month now, has been been joined since price liberalization by another 10 mines in the towns of Abay, Saran, and Shakhtinsk. Having not received coking coal, all the blast furnaces of the Karaganda Metallurgucal Combine have stopped. The blast furnace and oxygen convertor production is on the verge of stopping. Losses are calculated at millions of rubles. The strike is making a palpable hit at the everyday life not only of the oblast itself, but also the entire economy of Kazakhstan.

Tereshchenko, Deputy Prime Minister Baykenov, and leaders of a number of ministries and departments of the republic met with striking collectives of the Chimkent mine. A search is under way to find ways of fulfilling the miners' demands.

Military Prosecutors Incorporated by Resolution

PM1601151992 Moscow KRASNAYA ZVEZDA in Russian 16 Jan 92 p 3

[Unattributed report under the "Telegraph Line" rubric: "Military Prosecutor's Offices Incorporated in Unified System of Kazakhstan Prosecutor's Office Organs"]

[Text] By resolution of the Kazakh Supreme Soviet Presidium, military prosecutor's offices on the republic's territory are being incorporated within the unified system of Kazakh Prosecutor's Office organs. Colonel of Justice V. Vasilyev, Alma-Ata Garrison military prosecutor, said that, in contrast with comparable decisions in other sovereign republics, prosecution and investigation personnel from Kazakhstan's miltiary prosecutor's offices retain the status of servicemen.

A directorate of military prosecutor's offices has been formed within the structure of the republic prosecutor's offices.

Kyrgyzstan

Decree Signed on State Defense Committee

LD1601210692 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1300 GMT 16 Jan 92

[From the "Novosti" newscast]

[Text] The President of Kyrgyzstan has signed a decree on the formation of a republican state committee for defense affairs.

[Begin recording] [Correspondent V. Fedorov] Kyrgyzstan does not intend to have its own army. It is not just that it cannot afford one today. People here believe that a single armed forces, with a unified command, is the optimal means of ensuring the republic's security.

[K.K. Oruzbayev, adviser to the president of the Republic of Kyrgyzstan] The right to set up its own armed forces is the inalienable right of any sovereign state. One cannot argue with that. But the speed or the methods happening now seem in principle somewhat out of order. The armed forces have been created by the labor of several generations of Soviet people now living in different states. This factor must definitely be taken into consideration. It is necessary to take account of the opinions of those who serve in the armed forces, first and foremost the officers. We must take into account what will happen to them and their families.

[Fedorov] The republic guarantees a solution to the material and legal problems of the officers and their families. It is not acting with haste as far as a new oath is concerned. An oath will be taken by the new recruits who are called up in the spring. The Minsk version of the text suits them. The officers who wish to return to Kyrgyzstan from other states of the Commonwealth can

continue their service in the National Guard. [end recording] [video shows military ceremony observed by a crowded gathering including military men and President Akayev; Oruzbayev, in military uniform, being interviewed; street scenes]

Turkmenia

Shaposhnikov Interviewed on Results of Trip

PM1601225392 Moscow TRUD in Russian 17 Jan 92 p 1

[Interview with Marshal of Aviation Yevgeniy Shaposhnikov, commander in chief of the CIS Strategic Forces, by M. Pereplesnin in Ashkhabad; date not given; "Results of Trip Are Reassuring"—first paragraph is introduction]

[Text] Marshal of Aviation Yevgeniy Shaposhnikov, commander in chief of the CIS [Commonwealth of Independent States] Strategic Forces, had less than three days to spend in the capitals of the Central Asian republics and Kazakhstan and meet with the presidents of the sovereign states. While in Ashkhabad, the last of the places he visited, our correspondent asked the marshal to tell him about some of the results of the trip:

[Shaposhnikov] I assess the formation of the CIS as our only chance to uphold our common interests and set them against all destructive—and in a number of cases nationalistic—forces, in order to preserve everything valuable that was created in previous years. One of these common assets is our Army, which was formed through the collective labor of the present sovereign states and their peoples. I would like to note that I found support among all the presidents of the Central Asian republics and Kazakhstan on this position. The meetings laid a good foundation for our future agreements on defense questions at CIS head of state level.

The necessary resources for maintaining the Army must evidently be sought in proportional financing by all the interested parties. But if this turns out to be a completely back-breaking burden for any one of the states, then President Yeltsin promised to give them assistance out of Russian resources.

[Pereplesnin] Should we take this to mean that Russia has its own military interests in the region?

[Shaposhnikov] It is probably more appropriate to talk about our entire Commonwealth's common interests rather than Russia's military interests, since the potential to protect the defensive and strategic area is the product of all the peoples' efforts. Today it is all the more important not to divide or carve up the Armed Forces into national armies, but to preserve their unity, and therefore their combat ability. Of course there will be certain reforms. However, I hope that they will not be the result of some kind of unilateral actions, but will be based on considered agreements between the interested parties without any infringement of their interests.

Appeals for Single Army

LD1701114392 Moscow Radio Rossii Network in Russian 0500 GMT 17 Jan 92

[Text] ANI reports that, on 16 January, Marshal of Aviation Shaposhnikov, who was in Turkmenia, held a joint news conference with Niyazov, the president of the Republic. He urged a fight against destructive nationalist elements, and appealed for the preservation of a single Army of the CIS [Commonwealth of Independent States]. According to the marshal, Russia alone can finance and provide the social protection for the united Army. It is beyond Ukraine's powers.

Uzbekistan

Free Prices Ruled; Costs Expected To Rise

OW1501221892 Moscow INTERFAX in English 2100 GMT 15 Jan 92

[Transmitted via KYODO]

[Text] The Uzbekistan Government has ruled to free the prices of food, industrial goods, transport and services as of January 16. Prices are expected to rise 3 to 4 times in the republic. A number of food products and children's essentials will not exceed certain ceilings.

Students, Police Clash in Tashkent Over Prices

LD1701112392 Berlin ADN in German 1020 GMT 17 Jan 92

[Text] Tashkent (ADN)—There were serious clashes during the nights of 16 and 17 January between students and police in the Uzbek capital of Tashkent. The Russian agency RIA reported that numerous students were arrested and people were injured on both sides. According to unconfirmed reports, one male student died from his injuries.

The students were protesting against the price increases and the absence of bread in the shops. According to INTERFAX, they called for the resignation of Uzbek president Islam Karimov. After the rally, the students rampaged through the streets of Tashkent, smashed windows, and overturned cars. The police were greeted by a hail of stones as they moved in.

Armenia

Republic Officially Appeals for UN Membership

LD1701004992 Moscow POSTFACTUM in English 2255 GMT 16 Jan 92

[From the "Politics" section]

[Text] On January 15 Armenian representative in United States submitted to the UN secretary general Butrus Ghali an official appeal of the Armenian president to admit the Armenian Republic to the UN.

We hope that this issue will [be] settled within a few months, stated [the] foreign minister of Armenia [R. Oganesyan] at [the] January 16 press conference at the Foreign Ministry of the republic, devoted to the international recognition of Armenia. Oganesyan claims that the republic's independence has been already recognized by more than 60 countries. Oganesyan said that on January 17 he would set off on a mission to Bulgaria, Greece, Austria, Spain, and Belgium with the goal of establishing diplomatic relations with these countries.

According to Oganesyan, Armenia intends to rely on its ethnic communities in other countries in promoting international relations. While referring to relations with Turkey, the minister stated that the Armenian posture remained unchanged and clear cut on this issue. Armenia as [an] independent state is pursuing a policy to promote international relations with all its neighbors, including Turkey. As regards Turkey's intermediary role in Armenian-Azeri conflict, Oganesyan maintains that Presidents Boris Yeltsin and Nursultan Nazarbayev have already assumed this role; therefore, Turkey's intermediary could be possible only within the framework of existing process.

Oganesyan dwelled on his meeting with U.S. State Secretary James Baker, stressing that problem of Nagorno-Karabakh was under discussion among other things. According to Oganesyan, the U.S. Government has confirmed its decision to be guided by existing legal norms and human rights in establishing diplomatic relations. Baker had stated that the United States would not establish diplomatic relations with the Republic of Azerbaijan till it went on pursuing its aggressive policy and democratic norms were violated on its territory, said foreign minister of Armenia.

Azerbaijan

Leaders of Border Troops Issue Statement

LD1601174492 Moscow TASS International Service in Russian 1340 GMT 16 Jan 92

[By TASS correspondent Yevgeniy Znamenskiy]

[Text] Moscow, 16 Jan (TASS)—"The situation around the subunits of the border troops stationed in the Nakhichevan Autonomous Republic has become extremely dangerous", says a statement adopted today by the leaders of the border troops guarding the borders of the Commonwealth of Independent States. With the evident connivance of the republican authorities, "a number of openly malicious, extremist acts have been undertaken" in relation to the personnel and family members of officers and warrant officers, as well as border troop facilities, the document points out.

On 14 January an attack was carried out on a border post near Aza by a group of armed fighters from a detachment of the People's Front of Ordubadskiy Rayon. Weapons and ammunition were taken. An officer and a warrant officer and his family were taken hostage. On 15 January two border officers and four national servicemen were taken hostage in Dzhulfa. There had earlier been instances of weapons and transport of the border troops being seized.

There is no doubt, the statement says, that "these extremist actions by the Azerbaijani fighters are aimed at forcing the border troops into reciprocal actions, and thus provoke an armed conflict. The border troops are exercising restraint and coolness. However, continuation of such actions is fraught with grave, unpredictable consequences. All responsibility rests with the leadership of the Nakhichevan Autonomous Republic."

Republican Security Troops To Protect Border

LD1701032992 Moscow POSTFACTUM in English 2148 GMT 16 Jan 92

[From the "Military News" section]

[Text] According to information provided by an official from the apparatus of the Azerbaijan president, a committee on protecting the state border has been established in Azerbaijan, subordinated to President of the Republic Ayaz Mutalibov.

Vakhish Zeinalov, head of state and legal department at the apparatus of the president, said that, in pursuance to the law on the state border of the Azerbaijan Republic, republican own border-guard troops should be in charge of protecting the state border. Zeinalov could not give any answer to the question, concerning the reorganization of the units of the Soviet Army, border troops, and interior troops, stationed in Azerbaijan.

Nakhichevan Guards Attempt To Free Hostages

LD1601222792 Moscow TASS in English 1805 GMT 16 Jan 92

[By TASS correspondent Yevgeniy Znamenskiy]

[Text] Moscow January 16 TASS—Border guards from the Nakhichevan unit have made an attempt to free two officers and four soldiers taken hostages on Wednesday [15 January] by Azerbaijanian militants in the town of Dzhulfa.

They managed to free two soldiers, the border troops' press service told TASS. Unfortunately, one of the hostages was killed in fire exchange, the fate of the others is still unknown.

On January 14 a group of armed militants of the Popular Front's branch in the Ordubadsky region attacked a border post in the settlement of Aza. Arms and ammunition were seized. An officer and a warrant officer with his family were taken hostage. Actions to seize arms and vehicles have been previously reported as well.

"The situation around border troops stationed in the Nakhichevan Autonomous Republic has become extremely dangerous," says a statement published today by the command of the troops guarding borders of the Commonwealth of Independent States.

At the obvious connivance of the Republican authorities "a number of clearly hostile and extremist acts" have been made as regards personnel and members of families of officers and warrant officers, as well as border facilities, says the document.

Doubtlessly, "these extremist acts of Azerbaijanian militants aim to incite the border guards take retaliatory actions, and thus, provoke an armed conflict," stressed the statement.

"Border guards have so far shown restraint and self-control. However, the continuation of such acts is fraught with grave and unpredictable consequences, all the responsibility for which will rest on the leadership of the Nakhichevan Autonomous Republic," says the document.

[Moscow TASS in English at 1704 GMT on 16 January reports the following additional information by TASS correspondent Yevgeniy Znamenskiy:

["Moscow January 16 TASS—The Popular Front of Nakhichevan (a part of Azerbaijan) proclaimed mobilization on Thursday in response to an attempt of local border guards to free their hostages.

[The border guards went on a high alert and are ready to repel a possible attack."]

Muslims Protest Adoption of Latin Alphabet

NC1601081492 Tehran Voice of the Islamic Republic of Iran in Turkish 1630 GMT 13 Jan 92

[Text] The Muslim people in Azerbaijan have opposed the adoption of the Latin Alphabet. A crowd of people from the cities and towns in Azerbaijan gathered around Tazekoy Mosque in Baku to demand that the decision to adopt the Latin alphabet be rescinded and replaced with a decision to adopt the Arabic alphabet.

The demonstrators, who wore green headbands and carried placards, chanted slogans such as "our alphabet is the alphabet used in the Koran" and "it is the duty of each and every Muslim to safeguard the Islamic alphabet."

President Mutalibov received Islamic scholars and the leaders of the Islamic Party of Azerbaijan [Azerbaijan Islam Partisi] after the demonstration. The scholars and the party leaders demanded that the transition to the Latin alphabet in schools, universities, and government offices be obstructed.

Georgia

Gamsakhurdia Returns to Zugdidi; Troops Move

Urges 'Junta' Destruction

OW1601144892 Moscow INTERFAX in English 1400 GMT 92

[From "Bulletin 1"—transmitted via KYODO]

[Text] Georgian President Zviad Gamsakhurdia has called on his supporters to take up arms to destroy the Tbilisi junta. The president who fled the Georgian capital Tbilisi on the 6th of this month, addressed a rally in the west Georgian city of Zugdidi where he arrived early this morning via Sukhumi from Grozny. A Mengrel- Abkhazian republic was proclaimed at the rally.

Well informed sources in the Abkhazian capital Sukhumi have, however, refuted the news on the proclamation of a Mengrel-Abkhazian republic. Abkhazian representatives did not hold any negotiations with the Mengrel leaders, although such talks had been proposes.

Thousands of Gamsakhurdia's supporters are said to be on their way to Zugdidi from Sukhumi and Ochamchira

IF [INTERFAX] correspondent in Tbilisi reports tension has mounted in the Georgian capital following Gamsakhurdia's return to Georgia. Presidential supporters in Tbilisi intend to hold a rally at 16:00 today. Newsmen are not allowed inside the building of the Georgian Military Council.

Para-Military Group Sent to West

OW1601163492 Moscow INTERFAX in English 1515 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] The forces Zviad Gamsakhurdia has been mobilizing in Zugdidi (Western Georgia) for a march on Tbilisi pose no serious threat, said the chief of the para-military organization "Mkhedrioni" (Horse-Riders) Jaba Ioseliani. He was speaking in Tbilisi on January 16.

Ioseliani told the members of his organization that "Mkhedrioni" had already sent its outposts to western Georgia to resist Gamsakhurdia's supporters. Tengiz Kitovani's national guards are reported to have been sent there, too. Ioseliani said that "Mkhedrioni" was recruiting volunteers in various parts of Georgia.

Ioseliani said that the sending of "Mkhedrioni" forces and national guards to Western Georgia did not mean that Tbilisi was left unprotected. He said that a "Mkhedrioni" detachment and 500 volunteers remained in the city.

The latest worsening of the situation in Georgia occurred after Zviad Gamsakhurdia's return to Georgia on Thursday [16 January] morning. He arrived from Yerevan through Groznyy and Sukhumi. Speaking at a rally in Zugdidi, where he has many supporters, Gamsakhurdia urged them to arm themselves to march on Tbilisi in order to "do away with the junta."

Sigua Criticizes Armenia

LD1601214792 Moscow Radio Rossii Network in Russian 1800 GMT 16 Jan 92

[Report by YUG news agency correspondent Inga Takanuchidze on interview with Tengiz Sigua, acting prime minister of the Republic of Georgia, on 16 January; place not given]

[Text] We had an agreement with the leadership of Armenia from the very beginning, said Tengiz Sigua, and personally with President Levon Ter-Petrosyan, that Zviad Gamsakhudia and his family were to stay in Armenia. The Armenian Government violated our agreement for the first time on 12 January when armed groups of Gamsakhurdia's supporters were allowed to return to Georgia, and the Georgian Government was not informed about this step. After this an official government delegation was sent to Armenia for talks. The delegation was made up of representatives of the intelligentsia and law- inforcement bodies. A meeting was held with an official Armenian Government delegation and with President Levon Ter-Petrosyan.

The essence of the talks was mainly concerned with the stay of Gamsakhurdia in Armenia. I would like to repeat, said Tengiz Sigua, the main theme of the talks was that Gamsakhurdia was not to be given the right to leave Armenia without the agreement of the government of the Republic of Georgia. But the principles of these talks were violated again on 15 January. Gamsakhurdia and his entourage, consisting of 34 people, were transported from Idzhevan to Yerevan. A TU-134 plane that was prepared for him at the Yerevan airport took him to Groznyy. Gamsakhurdia later landed in Sukhumi on a flight from Groznyy late at night.

I would like to underline once again, said Mr. Tengiz Sigua, that the Armenian Government has violated the principle of our agreement. We voiced, for the time being, a verbal protest in a telephone conversation with the Armenian Government on 16 January. A request was expressed by their side that we refrain from issuing an official written protest. They will send their representative to give an explanation for the action which, in my view, cannot be justified in any way.

Zviad Gamsakhurdia openly called on his supporters at a thousands-strong meeting in Zugdidi, which he flew to from Sukhumi, to start a civil war. We have received this information directly from the participants of this meeting. The most notable thing is that Gamsakhurdia has announced the creation of the Mengril-Abkhaz state. Naturally, this is an absurd statement, and it will be given the relevant political assessment. I am sure, continued Mr. Sigua, that Gamsakhurdia has returned to Georgia in order ignite the fire of a civil war. There is no doubt that we will not permit him to do such a thing. We will undertake all the necessary measures to prevent bloodshed. We hope we will be carry this out.

Kitovani Accuses Armenia

LD1601191492 Moscow TASS International Service in Russian 1652 GMT 16 Jan 92

[By TASS correspondent Albert Kochetkov]

[Text] Tbilisi, 16 Jan (TASS)—Tengiz Kitovani, member of the Georgian Military Council, has accused the Armenian leadership of violating the agreements on the conditions for the stay of Zviad Gamsakhurdia in the neighboring republic, namely by allowing the ex-president to fly without hindrance to West Georgia. "His return may provoke a civil war in Georgia and in this event the guilt will be shared by the Armenian leadership", Tengiz Kitovani stated today in an interview to a TASS correspondent.

"Zviad Gamsakhurdia has again been ordered to leave Georgia, otherwise an unenviable fate awaits him," Tengiz Kitovani said. "We have sufficient forces and means in order to change the situation in West Georgia to our advantage". According to Kitovani, the centers of destabilisation in this region remain the towns of Zugdidi, where the ex-president is, Samtredia, and to some degree Poti. Armed divisions have been sent to the area today with the task of normalizing movement along transport routes blocked by the supporters of Zviad Gamsakhurdia.

"On this issue we are interested in the support of the Transcaucasus military district", Tengiz Kitovani added, "because the blocking of railways and roads in West Georgia affects the interests of the army in supplying and providing for their garrisons".

Anti-Gamsakhurdia Rally Held

OW1701002092 Moscow INTERFAX in English 2139 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] A massive rally staged by numerous political parties and organizations opposed to the Gamsakhurdia regime took place in Tbilisi on January 16. The rally members called for struggle for further democratic transformations in Georgia.

Irakli Tsereteli, leader of the National Independence Party, told IF [INTERFAX] that Gamsakhurdia does not have any chances of being reinstated as president. His return to Georgia can lead to further bloodshed that will be fully on his conscience, he emphasized.

Georgia's National Guards Commander Tengiz Sigua accused the Armenian leadership of having violated their pledges concerning Zviad Gamsakhurdia and his family's stay in the republic.

In a statement made to the press in Tbilisi on January 16 Kitovani emphasized that Armenian leaders had worsened "the destabilization in Georgia that can escalate into a civil war."

Kitovani reported that tension had mounted in Georgia on Thursday [17 January] in Zugdidi, western Georgia, after Gamsakhurdia had arrived in the town early in the morning. Gamsakhurdia called for a crusade on Tbilisi. Kutaisi is under a state of emergency. A curfew has been introduced.

Telephone communications vere disrupted between Tbilisi and western Georgia on Thursday morning.

Asked what relations may take shape between the Chechen leader Dzhokhar Dudayev after he had helped Gamsakhurdia to arrive in Chechniya, Kitovani said that "we'll have bad relations with anyone who hinders our progress on the construction of a democratic state."

Head of Georgia's provisional government Tengiz Sigua also lashed out against Armenia for having allegedly violated Georgian-Armenian arrangements on Gamsakhurdia. He told the press Wednesday [16 January] that the Georgian government had only expressed verbal protests. According to the premier, Armenia promised to send its representative "to explain the situation" and settle the tensions. According to Sigua, the plane Gamsakhurdia has used to fly to Groznyy to Sukhumi was registered with the Sukhumi airport.

Abkhazia Rejects Gamsakhurdia Talks

LD1601135392 Moscow TASS International Service in Russian 1225 GMT 16 Jan 92

[By TASS correspondent Igor Gvritishvili]

[Text] Moscow, 16 Jan (TASS)—"The official authorities in Abkhazia have not taken part in any talks with representatives of Zviad Gamsakhurdia concerning the formation of a Mingrelo-Abkhaz republic and will not do so." The TASS correspondent was told this on the telephone by Vladislav Ardzinba, chairman of Abkhazia's Supreme Soviet.

At the same time, he added that neither he nor those closest to him knew about Zviad Gamsakhurdia flying to Sukhumi. "The fact is that Sukhumi airport is at present controlled entirely by supporters of the ousted president of Georgia who, of course, did know about his arrival and made provision for the aircraft to land and for Gamsakhurdia to go to Zugdidi," the chairman of Abkhazia's Supreme Soviet said.

Gamsakhurdia Supporters Leave Posts

LD1601213392 Moscow TASS International Service in Russian 1756 GMT 16 Jan 92

[By TASS correspondent Albert Kochetkov]

[Text] Tbilisi, 16 Jan (TASS)—Armed groups of Zviad Gamsakhurdia's supporters, who controlled strategic installations in Abkhazia, have left their posts. According to reports from Sukhumi, this evening they abandoned the local airport, the rail station, and key roads. These detachments are thought to have gone to the town of Zugdidi, where Zviad Gamsakhurdia is now.

Blockage of Eastern Region Announced

LD1701003992 Moscow POSTFACTUM in English 2039 GMT 16 Jan 92

[From the "Politics" section]

[Text] The traffic of Moscow-bound trains continues, as well as at the Zugdidi-Samtredia segment; however, no passenger or cargo trains pass to East Georgia and Tbilisi. The trains to Armenia have also been stopped.

At their meetings, supporters of Zviad Gamsakhurdia decided to announce the blockade of East Georgia.

Tbilisi-bound flights do not leave from Sukhumi. TV broadcasts from Tbilisi have been halted during the last several days. Daily newspapers from Tbilisi and Moscow are not delivered to Abkhazia because of the railway strike. Broadcasts of the Ostankino TV Company and Russian TV still continue.

Supporters of Gamsakhurdia confiscate and destroy packages of newspapers delivered from Tbilisi to the Sukhumi central post office. According to observers, thereby the tension is being escalated and public opinion is urged to oppose the provisional government.

Daily multi-thousand [as received] rallies of Gamsakhurdia's supporters are held in Zugdidi, Khobi, Poti, and other towns. Some speakers advocate the forming of a west Georgian state as a protest against the actions of the new power. At the same time, local authorities and deputies of the Georgian Supreme Soviet oppose this idea and stand for preservation of Georgia's territorial integrity.

Supporters Begin Hunger Strike

LD1601141192 Moscow TASS International Service in Russian 1258 GMT 16 Jan 92

[By TASS correspondent Albert Kochetkov]

[Text] Tbilisi, 16 Jan (TASS)—Supporters of Zviad Gamsakhurdia, who gathered for a meeting today on Privokzalnaya Square in Georgia's capital, demanded

the restoration of the legal government and the powers of the president of the Republic of Georgia, who was removed from power by the opposition.

As reported by the Georgian FACT news agency, about 30 meeting participants announced an immediate hunger strike as a sign of support for these demands, inside the building of the town's railway station. They are also insisting that countries of the world, parliaments and governments should appraise the events taking place in Georgia.

Armenians View Developments

PM1701101792 Moscow ROSSIYSKAYA GAZETA in Russian 15 Jan 92 First Edition p 2

[D. Mdivani report: "On Both Sides of the Mountain Pass"]

[Text] Tbilisi—You cannot hear firing in Tbilisi any more. The bolder inhabitants of the city are venturing out onto the sites of recent battles. However, alarming reports are coming in from areas in Western Georgia. Many-thousands-strong rallies in support of President Zviad Gamsakhurdia, who is in hiding, are being held in the cities of Zugdidi, Poti, and Sukhumi.

A report to the effect that the fugitive president is under the patronage of the Armenian Government seriously alarmed many Armenians who live in Georgia. According to them, such a decision could have the most negative influence on relations between the Georgians and the Armenians living in Georgia. A meeting between the population of Tbilisi and the leaders of Armenian opposition parties calmed things down to a certain extent. Criticizing Zviad Gamsakhurdia's political course, they affirmed the rightness of the position of the Armenian official authorities, believing that that was the only way to help the Georgian people prevent further bloodshed.

Admittedly, Gamsakhurdia supporters have now launched a tried and tested way of pressuring the powers that be; the railroad has been blocked again. Members of the "Round Table—Free Georgia" have repeatedly resorted to such action. For example, eighteen months ago, thanks to the action at Samtredia junction, the question of holding multiparty elections to the Georgian Supreme Soviet was sorted out. The deputies in what was until recently the ruling political bloc said that a blow had been dealt to the Union's economy. Admittedly, for quite understandable reasons they were silent about the 400 million ruble [R] losses that this brought the republic.

Rallies in cities in Western Georgia are based on similar biased information. Local prefects and Supreme Soviet deputies from the area in question are, as a rule, the organizers of these. In order to avoid more armed clashes, the present Georgian Government is trying to present television viewers with objective information about what is and has been happening. However, supporters of the former president have switched off the relay transmitter which was broadcasting to areas in Western Georgia.

And while resources are being sought to put it into operation, or to use other possibilities to broadcast republic television programs, the government has become involved in matters that cannot be put off. Loans have started being issued to the suffering people of Rustaveli Avenue. This procedure is being made more difficult by the lack of banknotes in the republic bank. The R380 million brought in from the Kutaisi Bank are only partially alleviating the prevailing situation. It is planned that this sum will be used to issue higher pensions and grants, whose ceiling will be R320 and R240 respectively. However, even this is not enough to actually reach the poverty line; after all, the minimum living*wage is already R500 a month. A preliminary agreement with the Russian Bank on the allocation of a further R600 million for Georgia's needs is inspiring a little hope. In all probability, the employees of budget-financed organizations will receive their wages for the first time in four months when the first consignments of money arrive.

However, this injection will scarcely help the republic economy, which is in its death throes. Therefore, without being too delighted about it, many of the present Georgian leaders are pinning a certain amount of hope on the creation by Eduard Shevardnadze of an Aid Georgia Fund. The first $100,000 has already been paid into its account.

As Tengiz Sigua, head of the interim government, reported, at the same time talks have been renewed with a number of foreign firms, corporations, and banks about starting to implement joint projects that will bring in multimillion dollar contracts and should play a tangible role in the resuscitation of the Georgian economy.

Tbilisi Calm; Zugdidi Tense

LD1701121792 Moscow TASS in English 1058 GMT 17 Jan 92

[By TASS correspondent Albert Kochetkov]

[Text] Tbilisi January 17 TASS—The situation in the Georgian capital has stabilised in general. A petrol station was shot at in central Tbilisi last night, but it did not catch fire. Three people were arrested for curfew violations, Gela Lanchava, the military commander of the Georgian Provisional Government, told TASS on Friday [17 January].

The situation is also improving in the cities of Kutaisi and Samtredia due to the curfew introduced there on Thursday, according to the Georgian "FACT" news agency. An armed unit of the "Mkhedrioni" [horseriders] organisation was sent to Kutaisi to help local police observe the curfew.

But the situation remains tense in Zugdidi, where ousted President Zviad Gamsakhurdia is staying with his supporters. Reports from Sukhumi say they are blocking highways to prevent goods deliveries to eastern Georgia and Armenia.

Sigua Interviewed on Events in Documentary

LD1701050492 Moscow Teleradiokompaniya Ostankino Television First Program Network in Russian 1935 GMT 16 Jan 92

[Interview with Tengiz Sigua, acting Georgian prime minister, by correspondent Marina Tochilina; place and date not given; from documentary film entitled: "Open Final"]

[Excerpts] [Tochilina] How many nights have you gone without sleep?

[Sigua] Oh, it is difficult to count. Practically since 19 August. I think that I have slept properly for about 10 days. The rest...

[Tochilina, interrupting] From 19 August. How do you come to have this countdown?

[Sigua] On 15 August I resigned and I have been with the opposition since the 19th and my sums start practically from 19 August. [passage omitted]

It is difficult to know, to get to know, a person. Practically before the elections Gamsakhurdia was an angel. Well, I was one of the leaders of the group that prepared...

[Tochilina, interrupting] Tengiz Sigua.

[Sigua] We prepared an economic program, a political program. He, of course, received all of this with applause. Land reform—of course, from the first day; privatization—of course, from the first day; destatization of state property—of course, from the first day. Who could have imagined that this person who called himself a dissident of 30 years' standing would embark on political arrests from the very first day? Realistically speaking, I could not have imagined this. I noted that there was something wrong with this person back in the middle of June. If you recall, there were direct presidential elections on 26 May. After this he still pretended for approximately 20 days, and doffed his mask somewhere around 20 June. I already realized that there was something wrong with this person. [passage omitted]

[Tochilina] Who will be responsible for the murders?

[Sigua] The law enforcement bodies have already set about a detailed investigation of this matter. You know better than I that radicalism currently is not fashionable in the world, and, of course, I consider, I personally consider, that to fight by such means, even against a totalitarian regime, is not the right way. I was sure that in January or in February we would already have arrived at the point where we could have removed Gamsakhurdia by political means, but he has managed to divide the people.

[Tochilina] How will you win the people over?

[Sigua] Well, first, we guarantee everyone complete immunity. Well, of course, there is a group of people—I consider it to be a maximum of five to seven people—embezzlers of public funds, who, of course, must be brought to account before the law. And there should not be any leniency toward them. You have probably heard, I cannot name a precise figure, I am told that recently they have taken out and taken away with themselves 20 million Soviet, wooden, rubles, and an enormous amount of hard currency. [passage omitted]

[Tochilina] How did you celebrate the New Year?

[Sigua] Oh, it's better not to recall it. In the Tbilisi Hotel. At that time our headquarters was on the first floor there. There was shooting going on. At that moment four wounded men were brought in just before the New Year. One of them died later. I personally dealt with them. We only had two surgeons. I helped, passing bandages, and [words indistinct] and I helped in any way I could. That is how I saw the New Year in. Men died. Frightening. [passage omitted]

[Tochilina] Anyway, now, when I hope that everything is over, how do you qualify what has happened? What was it? The terminology. An armed insurrection, a national insurrection? What do you think?

[Sigua] I think that it was a national insurrection, because the broad masses of the strata of the population supported this action. You see, what happened on 22 December was totally unexpected for me. Because at 1500 on 22 December an opposition rally was planned. But do you know the details of how this all started?

[Tochilina] Well, tell me.

[Sigua] All of this is told by the deputy minister of internal affairs, who was at the parliament building at 0700. Well, he says—yesterday he spoke on local republican television—at around 0700 when he approached the parliament building and went in he noted that there was some hubbub in the courtyard. That is, military men were donning bullet-proof vests. That is, there were some kind of preparations. At 0740 or 0745 he received an order to go out onto the square and see what was happening. And the demonstrators, who had decided to hold a rally again the next day, were spending the night there. According to him, everything was peaceful and calm. People were sleeping in their vehicles. Some had made campfires and were warming themselves by the fires. That is, nothing dangerous...

[Tolichina] Shades of 9 April [1989 massacre of Tbilisi demonstrators by military].

[Sigua] Everything was completely calm, and then suddenly, even unexpected for him, at 0804, this has been

precisely recorded, approximately 80 people fanned out from the parliament building and opened fire on these people completely without any warning.

[Tolichina] So, the blood is on the hands of the president, as a politician?

[Sigua] No, not the president.

[Tolichina] Who will take...

[Sigua, interrupting] I will... you will learn an interesting detail. The president was not in the parliament building, as the minister alleges. I believe him, Mr. Gventsadze. He had left the building 15 minutes, practically 20 minutes, before the beginning of this military operation. The president was not in the parliament building. And in those 20 minutes he could not have managed to get through to there because this cortege would have been noticed, without doubt. The order for the beginning of military actions was issued by the president's sister-in-law. This is what we have come down to. She is a hysterical lady. I don't know her, but this is how she is described. This hysterical lady directly gave the order to go out and start all this. She was in control there.

[Tolichina] [sentence indistinct]

[Sigua] Well, evidently, when this Mr. Gventsadze told me this whole story the first time I didn't believe him. I said, Roman, it can't be that military men obeyed some kind of... he said, she told me to go out and look at the square. At that moment, from 0700 to 0800 or 0830, she was commanding everything, he said, in the parliament building.

[Tolichina] That is, you and I are confronted by a lack of law and impunity, and...

[Sigua, interrupting] Of course, of course, of course. You see, I stated this back in September, that a pure dictatorship was appearing, and the worst form of dictatorship, a dictatorship by a family. This only occurs in African countries. [passage omitted]

Military Council, Soldiers' Lifestyle Noted

PM1601151792 Moscow KRASNAYA ZVEZDA in Russian 16 Jan 92 p 1

[Report by Captain First Rank A. Pilipchuk and Captain Third Rank V. Yermolin under the "Direct Line" rubric: "Military Council in Georgia No Longer Exists. But Life No Easier for Military"]

[Text] Tbilisi—Georgia has greeted the old style New Year without a military council. To all intents and purposes power has returned to local executive bodies. Admittedly, one still cannot talk about well-oiled operations on the part of various government structures.

One can say with more or less firm probability that the situation in the republic today is controlled by a provisional cabinet of ministers led by Tengiz Sigua. He deems it necessary to fully concentrate state power in the hands of the National Assembly (in the event of the parliament's being unable to assemble a quorum). The intention is that this assembly include the current members of parliament and the national congress and representatives of trade unions, students, and the "Darbazi" interparty association. Gamsakhurdia's supporters are showing signs of activity only in western areas of Georgia. It is known that roughly a third of those who left with the president for Armenia on Saturday, 11 January, morning have moved into Georgia and laid down their arms.

What is life like for the soldiers in these conditions?

A few days ago Dzhaba Ioseliani and Tengiz Kitovani, members of the Military Council, said that they would transfer power to the provisional government with the last shooting on the streets of Tbilisi. But you have to be naive to link politicians' statements directly with life as it is. The vast quantity of arms scattered around the republic and its capital are continually being put to use. A few days ago Guards Warrant Officer Sumbat Karapetyan drove his colleague, Guards Warrant Officer Rafik Nanadzhanov, and his child out of the troop unit where we are living. An unmarked "Volga" overtook Karapetyan's car on a busy street and shots were fired. A bullet pierced the front and back windshields, fortunately injuring no one. Literally the next day, automatic weapons were fired by unknown people alongside the unit fence. Here is another recent example. Twice during the night Guards Major Anatoliy Shablovskiy, chief of staff of a motorized rifle training battalion, sent infantry combat vehicles to cover a tank repair plant when unknown persons opened fire on it.

Journalists working in Tbilisi have heard assurances from the new authorities on several occasions of their loyalty to the servicemen, saying that attacks on servicemen are incited ' , "Gamsakhurdia's men," but nothing has yet been seen of any thorough investigation into such criminal acts or strict punishment for the culprits.

Meanwhile servicemen's lives are reminiscent of life on the front line. Admittedly you do not have to look far for examples. Every evening our hospitable host, Guards Major Anatoliy Medvedev, puts an assault rifle with two horns tied "Afghan-style" beside his bed. The Transcaucasus officers' mood was expressed extremely definitely during the Officers' Assemblies held in this guards unit in particular. Most of them said that they could not swear an oath of loyalty to the Russian Federation while the unit is on Georgian territory.

National Army Formations Begin 14 Jan

LD1401211592 Moscow POSTFACTUM in English 1609 GMT 14 Jan 92

[Text] The Defence Ministry of Georgia is to start forming National Army units as of January 14, in Tbilisi, Kutaisi and Akhaltsikhe. The formation of national

army units before conscription to the national army was announced is to begin on the basis of the state legislation on universal military service. Certain units will be formed only of professionals, including privates, on a contractual basis. The contracts are signed for a period of 2-5 years. Officers should not be older than 45, petty officers and men, 35. The greatest demand is for professional artillerymen, tankmen, signallers, sapeurs, chemists, reconnaissance men, armored vehicle drivers, etc.

South Ossetian Fighting Continues

LD1601214192 Moscow TASS International Service in Russian 1000 GMT 16 Jan 92

[By TASS correspondent Valeriy Shanayev]

[Text] Vladikavkaz, 16 Jan (TASS)—Firing between detachments of Georgian guerillas and units of the Ossetian National Guard continued last night in South Ossetia. According to data from the Information Committee Press Center, the firing was particularly intense on the outskirts of Tskhinvali, around the rayon center of Znaur, and the villages of Dmenisi and Khelchua. There are dead and wounded among the civilian residents.

The tension in relations between the Ossetian and Georgian sides, in the opinion of local observers, is being caused by detachments of guerillas returning to South Ossetia from Tbilisi, where they were giving their support to Zviad Gamsakhurdia. They have combat arms and technology at their disposal.

In connection with the deterioration of the situation, Rezo Khugayev, first deputy chairman of the Supreme Soviet of the South Ossetian Republic, sent a telegram to Tengiz Sigua, head of the provisional government of Georgia, in which he informed him of the renewed exchange of gunfire between guerillas in populated areas. It is assumed in Tskhinval that the authorities do not know about the latest events taking place in South Ossetia.

Meanwhile, the situation around Tskhinval remains critical. Electricity, gas, and water are still not reaching the town. Local enterprises, building organizations, and the railway network are not working because of the shortage of raw materials. The residents of Tskhinval are not receiving their wages. There is no reliable telephone or telegraph contact with South Ossetia. All the minor roads and the main Dzhava-Tskhinval road, along which humanitarian aid came from Vladikavkaz, have been cut by the guerillas. The 28-km mountain road passing through the village of Zar is the only one open for the time being.

The Supreme Soviet of the South Ossetian Republic has been in session in the administrative center. It adopted a decision to hold a nationwide referendum on 19 January. Two questions will be submitted: one on the independence of South Ossetia and the other on its reunification with Russia. Observers expect that the overwhelming majority of inhabitants of South Ossetia will give a positive answer to both questions.

Estonia

Savisaar on Food Shortages, State of Emergency

LD1601190792 Tallinn Estonian Television Network in Estonian 1930 GMT 16 Jan 92

[Excerpts] The Christmas holiday is over for the people's deputies, members of the Supreme Council. The 60th session of the Supreme Council began today in Toompea. [passage omitted]

Premier Edgar Savisaar presented a report to the deputies. He touched upon three issues: food, fuel and cash. The premier said that the present stocks of meat in Estonia will last for five days; if necessary, three days of reserves can be drawn on. There is enough butter for three weeks; stocks of cheese have in essence run out; Estonia's stocks of wheat will run out at the end of January. Tomorrow, a delegation will go to Brussels to delve into the possibility of obtaining grain as aid from the EC. The situation with regard to fuel and cash is also bad.

The premier justified why the government is applying for special economic powers until 1 June of this year. This is necessary primarily for the daily running of the economy in a crisis situation. The premier emphasized several times that this need not be linked to a return to the command economy.

[Begin Savisaar recording] I wish to inform you that when we talk about an economic state of emergency, we are not only talking about relocating our resources which, even so, are in short supply. This is not the main aspect about obtaining special powers. The issue at hand is that we have reached a completely new, dynamic and swiftly changing situation, and one can keep afloat only if we act with great efficiency and flexibility.

Taking into account the quite normal parliamentary rules of the Supreme Council, one cannot work at the pace which is called for at the moment. In other words, the situation is extraordinary, and we may call it this, or something else—we debated even among ourselves whether or not we should call it an economic state of emergency. What we call it does not matter—it is the essence of the issue that counts. [end recording]

Special powers does not mean that full power is concentrated in the hands of the government; the Supreme Council will have the opportunity to check on the government's activity. In the most direct sense, the present government links the granting or not granting of special powers to a vote of confidence in the government, Edgar Savisaar said. [passage omitted]

Resolution Linked to 'Confidence' Vote

OW1601171892 Moscow BALTFAX in English 1510 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] On Thursday [16 January] Estonia's parliament imposed a state of emergency in the country's economy. The relevant draft resolution submitted by the government collected 53 votes. 37 MPs [members of parliament] voted against it and 4 abstained. The session was attended by 96 of the 104 MPs.

The draft resolution submitted by Prime Minister Edgar Savisaar provides for devising special measures in the framework of the state of emergency in the economy imposed till a new constitution is adopted, but for no longer than 3 months. It also provides for forming a commission consisting of government officials and MP's to deal with the crisis.

Estonia's Premier E. Savisaar and members of his government assert that the state of emergency signifies strict control over currency, fuel and other resources, the drafting of plans for evacuating residents from big cities, and the like.

As BALTFAX has already reported, Estonia's government links the adoption of the resolution in question with an expression of confidence or no confidence in it. Therefore, says BALTFAX's correspondent, the adoption of the resolution means that the government of Edgar Savisaar will remain in power.

Parliament Fails To Form Anticrisis Commission

OW1601221692 Moscow BALTFAX in English 2115 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] The Supreme Council of Estonia failed to form an anti-crisis commission at its meeting Thursday [16 January]. The formation of such a commission is envisaged by the parliament's resolution imposing an economic state of emergency in the republic. The commission is expected to include members of the parliament and the government.

Even before the discussion of the commission's make-up, the faction of Christian Democrats, "Land Union" and the right-wing parties' coalition "Motherland" which were against giving emergency powers to the government refused to take part in forming the commission. However, the parliament failed to approve the commission's make-up as a result of the vote. Only 41 deputies voted for the proposed make-up, while 52 votes are needed to pass a decision.

The government along with the commission are to submit a draft project on introduction of the economic state of emergency to the Supreme Council next week.

Supreme Council Calls Taiwan Trip 'Incorrect'

LD1601201892 Tallinn Radio Tallinn Network in Estonian 1500 GMT 16 Jan 92

[Text] The BALTIC NEWS SERVICE reports that the foreign commission of the Republic of Estonia's Supreme Council discussed the forthcoming professional

visit to Taiwan of Prime Minister Edgar Savisaar. The foreign commission decided to view the visit in the present form as incorrect.

In the opinion of commission chairman Indrek Toome, the visit should take place as a private visit. To travel as prime minister would cause an international scandal, as Estonia is tied to agreements obliging Estonia not to establish relations with Taiwan at the state level. Indrek Toome added that all this does not rule out agreements being concluded between enterprises and economic institutions.

Mehis Pilv, director general of the foreign economics department, is currently in Taiwan on a visit. He is making preparations for Edgar Savisaar's visit.

Russia's Kozyrev: Nuclear Weapons Withdrawn

OW1601220792 Moscow BALTFAX in English 2115 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] A communique on results of the Russian Foreign Minister Andrey Kozyrev's visit to Estonia January 14 made public Thursday [16 January] says that the tactical nuclear weapons have been completely withdrawn from the Baltics.

Kozyrev made this statement after the Estonian side had expressed concern about the issue.

The two sides stressed the necessity to withdraw the troops in stages, taking into account the interests of mutual security, as well as the real situation in the social sphere. As BF's [BALTFAX's] correspondent reports, at the same time, the communique and the Estonian Foreign Ministry's official report say nothing about the exchange of the Russian-Estonian bilateral treaty ratification documents, meaning that the treaty has not yet come into effect.

New Fuel Agreement With Russia Urged

OW1601172292 Moscow BALTFAX in English 1510 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] Estonia's minister of material resources Aleksander Sikkal has told BF's [BALTFAX's] correspondent that his republic intends to press for signing a new agreement on fuel supplies with Russia.

With this aim in view on Wednesday [15 January] A. Sikkal arrived in Moscow where together with the director general of the EESTI KYTUS (Estonia Fuel) association Oleg Panfilov he conducted negotiations in Russia's ministry of economics.

As Oleg Panfilov explained to BF, in the face of an acute fuel crisis Estonia suggested that Russia should sign with it a separate agreement on fuel supplies from Russia in exchange for food supplies from Estonia before the situation concerning deliveries under their previous bilateral agreement is clarified.

Russia agreed with this proposal. However, according to Oleg Panfilov, it is not satisfied with the order of settlements suggested by Tallinn. Estonia wants to make payments on the basis of world-market prices, evaluating the cost of delivered goods in rubles at a special exchange rate.

On January 16 the talks will be continued, A. Sikkal told BF's correspondent.

In Latvia and Lithuania, he said, fuel shortages are also acute. The Latvian government's decision that Latvia will keep 6% of oil products shipped via the port of Vilnius remains a one-sided declaration so far, not an agreement between Russia and Latvia.

The agreement between Latvian authorities and the command of the North-Western group of troops on exchanging Army fuel for foods has not begun to be implemented either. According to A. Sikkal, in practice the agreement means only a protocol of intentions.

Food Price Controls To Be Lifted in Feb

OW1601221792 Moscow BALTFAX in English 2115 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] Estonian Agriculture Minister Harry Ounapuu told BF [BALTFAX] that in early February all price controls for food will be lifted in Estonia. "This is a unique opportunity to stop the flow of food out of the republic and stabilize the internal market," explained the minister.

Within a few weeks the government will buy 10,000 tons of flour for hard currency. According to preliminary estimates, a loaf of white bread baked of this flour will cost 9 rubles.

Enn Uusen, Director of the Social Studies Center attached to the Ministry of Labour, told BF that free prices and new compensations are likely to be introduced February 1. Low-income people will be granted coupons permitting them to receive a certain quantity of goods free.

Latvia

Godmanis Interviewed on Economic Prospects

92UN0624A Moscow NEZAVISIMAYA GAZETA in Russian 10 Jan 92 p 3

[Interview with Latvian Prime Minister Ivars Godmanis by NEZAVISIMAYA GAZETA correspondent Andrey Sorokin; place and date not given: "Ivars Godmanis Wants To Help the Russian Government"]

[Text] [Sorokin] Mr. Godmanis, some of your statements at the end of last year caused a rather controversial reaction in both Latvia and Russia....

[Godmanis] I have already explained my position in SOVETSKAYA MOLODEZH-SEGODNYA. My remarks are not in any way directed against the private sector. I am a supporter of free enterprise and competition. But I am also a supporter of the third pillar on which a normal economy rests: a ruthless system of tax collection, the kind that exists in the West. There, you can only try to evade paying taxes once—the second time the very existence of your company will be in danger. We will also take steps in this direction; they are not at all of a repressive nature, however. We will purchase cash registers, audit financial accounting, and monitor payment of taxes.

The danger here is this: I gave my support to the option of giving complete freedom to the private sector in Latvia—commercial banks, exchanges, etc. But if we do not show strictness now, we will slide into a mode where paying taxes will not be considered law. Then a mafiosi-type life will start, something like the south of Italy or some "banana republic." On top of that, fusion is in progress between this and the state structures. We have already caught red-handed certain high-level officials who were signing papers for unauthorized privatization. Unfortunately, they were members of the government—former members by now.

[Sorokin] When the government made a decision on the re-registration of commodity exchanges and on making changes in the law on exchanges, the following arguments could be heard in back rooms: Most Latvian commercial structures are working for the domestic market only to the extent that they have to, but their prospective plans are mostly aimed toward Russia. In your opinion, how serious is this problem?

[Godmanis] I consider this situation normal. But we have to keep two things in mind. First, Russia will have very strict customs—they are already very strict in their operations. Therefore, it would be shortsighted to build one's economic future on the assumption that it will be possible to grab something in Russia without a license and then profitably resell it here. We have had a conversation with Yegor Gaydar, who officially stated that the petro-products being moved from Russia through Latvia without a license signed by a deputy minister of energy or higher are illegal deliveries, and we can interdict them jointly with our Russian colleagues.

Second, we are all very interesting creatures—there are not too many who produce, but everybody is selling something. We probably made this mistake ourselves at some time in the past, when we gave in to the pressure on the part of enterprise directors and squeezed private enterprise out of the production sector. What happened is that with our own hands we pushed these entrepreneurial structures into the trade and capital turnover sector. So we got what we have now. Actually, in Russia this was not done intentionally, but it nevertheless happened by itself. Now, in the environment of a production crisis, the final effectiveness of business in the sphere of capital turnover becomes doubtful, especially in light of the fact that a complete liberalization of prices has not taken place in either Latvia or Russia. State subsidies remain in each country—on a different scale, on different types of products, and so on.

[Sorokin] There is, however, a persistent opinion in entrepreneurial circles that for Latvia it would be most profitable to become a large financial center precisely in the area of capital turnover—both Russian and Western. This is also reflected, in particular, in the government concept "Latvia is a bridge"....

[Godmanis] This is true; I support it completely. That is why we made it possible to conduct unimpeded exchange of rubles for dollars. Latvia is the only state of the former USSR where physical persons may do so freely. Of course, I would prefer to see several companies competing in this sphere. But since Parex does it better than others—so much the better for them. We are even saving the former building of the Communist Party of Latvia's Central Committee for a future trade and finance center, and are not letting even very deserving state organs (for instance, the Ministry of Foreign Affairs) move in there.

Not too many foreigners are coming to us, though...

[Sorokin] What is the cause of such inattention in your view?

[Godmanis] There are three factors. First, the money is no good. The current unnatural rate of the ruble is more profitable for a tourist, who can dine in the most opulent restaurant in Riga for a few dollars. But for a businessman such a situation is unacceptable.

Second, potential Western partners are very interested in buying real estate. This is a big problem. It is not accidental that this is prohibited in the small countries of Europe. Denmark, for instance, prohibits the buying of its land—they believe that the Germans will buy them up outright. We have the same concerns. A 90-year lease is more palatable. Perhaps Germany, the United States—and in the future Russia—can afford such a luxury, but not Latvia.

Third, so far Western entrepreneurs do not see adequate business plans on our side. We are just now putting the finishing touches to a joint project with the Telecom company, through which we will be able to put a state-of-the-art telephone system throughout Latvia. Our share of investment in this is 51 percent—practically all Latvian resources. We can see some opportunities emerging with construction companies. There are projects involving transportation networks. Because there will be no business center without a modern airport, hotels, and so on.

Of course, our banking system is not even close to the required level. We have to create a clear two-level system of banks: the reserve bank and the network of state or

commercial banks that would provide the entire range of financial operations in any currency. We are trying to work in this direction now.

Finally, foreigners must be able to see that private business in the country has started to work for real. No government reports or correct laws are a substitute for this.

[Sorokin] Perhaps there is one more reason that is often mentioned by both business people and your colleagues in the Latvian government: Foreign investors are interested not only in Latvia per se but also in an opportunity to enter the Russian market through it. Perhaps some efforts should be made to attract business from the East to Latvia?

[Godmanis] I am absolutely convinced of that. That is why we are discussing with Gaydar the creation of joint Russian-Latvian enterprises, with the possibility of attracting foreign capital. Particularly in the area of using the seaports: I was trying to convince our Russian colleagues that we are ready to provide the necessary guarantees in this respect, and that there is no need to invest enormous resources into the construction of alternative ports in northern Russia.

On the other hand, the function of a "bridge" involves great responsibility. In this respect we are very interested in seeing the Russian reform succeed. Although Latvia is itself in a difficult situation, we are ready to provide whatever assistance we can to the Gaydar cabinet.

Berzin Compares Economy to 'Estonian Pattern'

OW1701004092 Moscow BALTFAX in English 2113 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] The crisis in Estonia is part of the general decay of the economic system of the former USSR of which the Estonian, Lithuanian and Latvian economies were components. Such is the opinion of the leader of the Latvian Popular Front group in the Latvian parliament, Mr. Indulis Berzins. (On January 14 Mr. Berzins was also elected chairman of the parliamentary commission on foreign affairs—BF [BALTFAX]).

In an interview given to our correspondent Mr. Berzins said developments in Latvia could follow the Estonian pattern. He thought, however, that the government was doing all within its power to thwart a crisis, attaching an important role to Latvia's relations with Russia in this matter.

Mr. Dainis Ivans, the former deputy head of the Latvian parliament, told our correspondent that the crisis in Estonia had been caused by an improper handling of the economic reform. He thought there were similar tendencies in Latvia as well. He expected there would be disruptions in fuel supplies, but he did not believe his country would have any serious [disruptions].

Mr Ivans was less optimistic about Latvian-Russian relations, since "we have had the sad experience of our eastern suppliers failing to stick to their commitments". He believed the Latvian government should change its orientation turning from East to West.

Urges Stronger Political Ties

OW1501234892 Moscow BALTFAX in English 2050 GMT 15 Jan 92

[Transmitted via KYODO]

[Text] Chairman of the Latvian parliamentary commission on foreign affairs Indulis Berzins said that the main goal of his commission is "to guarantee Latvia's independence by political means."

As BF [BALTFAX] reported earlier, Latvian deputies elected the leader of the Latvian Popular Front's parliamentary faction Indulis Berzins as chairman of the commission on foreign affairs on January 14.

Berzins said the commission will work in two directions. First, it is necessary "to join the complex conglomeration of international relations between European countries." Second, in the eastern direction it is necessary to determine relations with Russia. Berzins believes the second direction is more important. In his opinion, it is necessary to ratify the Latvian-Russian treaty signed in 1991 or conclude a new treaty.

"The strengthening of political relations between Latvia and Russia will help stabilize the economic situation in both republics," Berzins noted.

Measures To 'Instill Order' in Markets Adopted

PM1301150992 Moscow PRAVDA in Russian 13 Jan 92 p 6

[Correspondent Oleg Meshkov report: "Wait A Bit, Mafia!"]

[Text] Riga—Riga people who recently came to shop at the city's markets were somewhat surprised: All the entrances and exits were guarded by men armed with submachine guns and wearing bulletproof vests. It later transpired that this was an operation to instill order at the market.

Latvian Prime Minister I. Godmanis warned that markets will no longer be a place where speculation flourishes. It is also planned to strictly combat racketeering, extortion, and price diktat in the markets. Controls will be stepped up at currency exchange centers.

The Latvian Government is concerned about products being taken out of the state on an uncontrolled basis. Consequently it is proposed that a number of tough measures will be implemented—from increasing the price of railroad tickets (a ticket to Moscow, for example, will cost up to 500 rubles) to setting up mobile customs subunits which will inspect transport on Latvia's border roads. If violations are discovered drivers of state-owned vehicles may have their property confiscated, while enterprise leaders may be fired.

Judging by I. Godmanis' speech at the Supreme Council plenary session, mafia operators still exist not only in the national economy and lower-level state structures, but also in the Cabinet of Ministers. Consequently a special service has been set up jointly with the Prosecutor's Office and the State Inspectorate to study the situation in the government itself and in the ministries. It is promised that especially strict sanctions will be applied to those officials who have derived personal benefit from their presence in structures involved with privatization.

Energy Crisis Affects Farming, Military

OW1501182392 Moscow BALTFAX in English 1540 GMT 15 Jan 92

[Transmitted via KYODO]

[Text] Latvia has exhausted its supplies of liquified gas. The republican Industry and Energy Minister Ziedonis Blumbergs has told BF [BALTFAX] that the sole fuel Latvia was currently receiving was black oil and it was coming from Russia. Apart from gas Latvia had serious shortages of kerosene for aircraft and diesel fuel. At the same time Blumbergs said that diesel fuel supplies would soon return to normal and so would bus traffic in Riga.

Latvian Agriculture Ministry official Aivars Zosulis has told BF that ever more farmers in the republic have been complaining about frustrated fodder and milk supplies due to fuel shortages.

Zosulis also said that the fuel granted from the army reserves of the former USSR was not enough to carry food supplies to the army units deployed in the territory of Latvia.

The army has granted Latvia's agriculture 60 tons of A-76m petrol and 105 tons of diesel fuel.

Zosulis said that the situation would improve in about two weeks, when petroleum products from Russia arrive. He said the quotas had already been authorized.

Registration of Republic Inhabitants To Begin

PM1301145192 Moscow ROSSIYSKAYA GAZETA in Russian 13 Jan 92 First Edition p 2

[TASS, BelaPAN column report under the "World Newsbeat" rubric: "Latvia: Hammers and Sickles Consigned to Oblivion"]

[Text] The Latvian parliament has adopted a law "On the Rights and Obligations of the Individual and the Citizen" and set up a new state structure—a register of Latvian inhabitants. This year sees the start of a large-scale operation lasting approximately six months during which time professional staffers will call at every apartment and home on the republic's territory. In the course of this action it will become clear who is a citizen of the republic and who wishes to acquire Latvian citizenship, and how many subjects of other states hope to go on living in Latvia (it is envisaged that henceforth the residence permit will be reviewed annually). It was decided not to register the military and the members of their families.

Council Reorganizes Departments, Ministries

LD1501213292 Moscow POSTFACTUM in English 1712 GMT 14 Jan 92

[From the "Politics" section]

[Text] Seven out of 8 departments under Latvian Republic Council of Ministers will be disbanded and converted into ministries. The director of the information and analysis section of the External Economic Relations Department Madis Ostrovskiy also told PF that according to the ruling received on January 14, the municipal department in charge of local authorities would remain under the CM [Council of Ministers].

The functions of the Conversion and Privatization Department shall be given to the Ministry of Economic Reforms. The functions of the External Relations Department shall be divided: a part of them shall be given to the Foreign Office with an Economic Policy Department being formed under it. The department's director general Maris Gailis has been appointed deputy foreign minister; the other part of the department shall join the Ministry of Foreign Trade, with the currency foundation and budget of the republic to be placed under the Finance Ministry and the foreign tourism section under the External Relations Department.

The Defence Ministry—the only newly-formed one—has been headed by Talovs Jundsis who has earlier led the Parliamentary Defense and Interior Committee.

Ostrovskiy also stated that 9 out of 16 ministries had been headed by new ministers some of whom were deputies of Latvia's Supreme Soviet which became possible after appropriate amendments to the law of Latvian Republic on reorganization of governmental structures had been incorporated in it. The setting up of the republic's CM, in Ostrovskiy's words, could take nearly 2 months.

Baltic Russians Meet To Express Concerns

PM1501153192 Moscow PRAVDA in Russian 14 Jan 92 p 2

[Correspondent Oleg Meshkov report: "With Concern for the Future"]

[Text] Riga—Latvia's Russian community has held a conference on the theme "The Baltic Russians." Most of the speeches were permeated by the idea that the Russian question is exceptionally acute today.

The competence of these people cannot be doubted. The conference participants included many deputies from the Latvian Supreme Council and the Russian Supreme Soviet and eminent scientists from the Baltic countries and Moscow.

Esmekhov, chairman of Latvia's Russian community, declared in particular: "Over the six years of perestroyka we heard a lot about the pain of various peoples of the former Union. But as soon as talk turned to the Russian question, it was immediately proclaimed that it did not exist."

The conference participants sent an open letter to the parliaments of Latvia, Lithuania, and Estonia: "We draw attention to the fact that a tendency to oust Russians from many spheres of sociopolitical, cultural, and economic life has clearly emerged...."

The tendency that has emerged in the resolution of the citizenship question, especially in Latvia and Estonia, is particularly worrying.

The conference participants proposed the following solution of the problem: The Baltic states should grant all permanent residents unconditional rights to property created after 1940 and enshrine these rights in laws on citizenship, pensions, and privatization.

Russian Vice President A. Rutskoy sent a greetings message to the conference participants.

Soviet Army Maneuvers in Riga Restricted

LD1501040992 Riga Radio Riga International in English 2130 GMT 14 Jan 92

[Excerpt] Soviet Army military maneuvers envisaged for today in Riga were restricted only to the territory of respective military detachments. The Latvian Popular Front, the National Independence Movement, and the meeting on the central Doma Square in Old Riga expressed their protest on the action scheduled. [passage omitted]

Oil Purchases Negotiated With Middle East

OW1501182292 Moscow BALTFAX in English 1540 GMT 15 Jan 92

[Transmitted via KYODO]

[Text] Latvia's Foreign Minister Janis Jurkans has met with Kuwaiti businessmen in Copenhagen to discuss the possibility of purchasing oil in that country.

Reports from the Latvian press say that the republic is contemplating the possibility of buying petroleum products fron new supplies: the OPEC countries, the Scandinavian countries and Britain. However, it is likely to give preference to OPEC due to lower prices. The government has offered to pay for oil with timber.

On January 13 there was a meeting between representatives of the "Arab Group A.B." M.A. Saad and Jan van Appeldoorn with the Latvian Prime Minister Ivars Godmanis.

The Director of the External Trade Department Juris Kanels has told BF [BALTFAX] that the meeting was a consultative one. The visiting businessmen discussed the outlook for cooperation and made a number of proposals concerning the purchase of oil and petroleum products in the Middle East.

Kanels said M.A. Saad said he was certain that his firm would cooperate successfully with the Baltic states.

PRC Diplomat Views Latvia-Taiwan Ties

LD1501215392 Riga Radio Riga Network in Latvian 1830 GMT 10 Jan 92

[Text] The press service of the republic's Foreign Ministry reports that a letter of accreditation was presented to the Latvian Republic Foreign Ministry today by (Chen Di), PRC charge d'affaires. (Chen Di) expressed the conviction that friendly relations will be formed between the PRC and the Republic of Latvia, and cooperation in various fields will be [word indistinct] strenghtened. He outlined opportunities for economic cooperation between the two states and presented an oral invitation to Martins Virsis to visit the PRC.

At the same time (Chen Di) described the official attitude of the PRC toward the relations of third countries with Taiwan, emphasizing that the government of Latvia agreed to this by signing a joint statement with the PRC in September 1991.

Janis Jurkans pointed to the economic interests of Latvia which determine the necessity of starting economic cooperation with Taiwan, while being aware that such a step to a certain extent contradicts the joint statement of the Republic of Latvia and the PRC. The minister did not deny that the intention of Latvia is to exchange missions in Riga and Taipei. A mission of Taiwan might operate in Riga.

Janis Jurkans expressed the hope that the government of the PRC will take an understanding stance toward more active cooperation between Latvia and Taiwan.

At the conclusion of the talk, (Chen Di) once more emphasized the objections of principle of the PRC to official relations of third countries with Taiwan.

Janis Jurkans, in turn, expressed the conviction that we will be able to find forms of cooperation with Taiwan which would also be acceptable to the PRC.

Lithuania

Landsbergis Briefs Parliament on Russia Talks

LD1601234592 Vilnius Radio Vilnius Network in Lithuanian 1800 GMT 16 Jan 92

[Text] Supreme Council Chairman Vytautas Landsbergis is leaving for Moscow tomorrow. Today, at the session of the Supreme Council, Vytautas Landsbergis, while informing the deputies about the upcoming negotiations with the Russian Federation, replied to a question on whether the previously formed delegation for the negotiations with the Soviet Union should be abolished and whether anything should be done with it at all.

I do not think, stressed the chairman, that this delegation should be dissolved by some act. It is not working anyway, although it has an accumulated structure which

may be useful and is being used for other work. Anyway, we are going to negotiate with somebody. This work is continuing. The speaker recalled that at present negotiations are taking place with Russia and Belarus.

We have common borders and this is a very specific issue of state importance.

The chairman pointed out that preparations for negotiations with the Soviet Union have been started and that it will not be difficult to continue them with the legal inheritors of our partner. Vytautas Landsbergis stressed that the main and principal issue is the withdrawal of the former Soviet Union's Army. Speaking of this army, he said we have been proposing and will propose the terminology not of some army temporarily stationed on the territory of Lithuania, but of an army to be pulled out.

At the same time, Vytautas Landsbergis drew attention to the attempts by the Soviet Army to move after the announcement of exercises in Lithuania. The forces of the Lithuanian state not only formally protested but also did not allow these exercises; similarly, they did not allow some military equipment to be taken from Lithuania.

This sphere of our relations with the states—the Soviet Union's inheritors—is specific and very important. One of the topics which I will propose in the talks tomorrow in Moscow with Russian President Boris Yeltsin, said the chairman, will be this sphere.

Speaking of the nature of the coming Moscow meeting, the chairman said that it would be a working visit. It must help to advance new agreements and official state agreements. The meeting may also help us to solve trade and economic relations.

The Supreme Council chairman pointed out that other important issues would be discussed at the meeting with President Yeltsin.

More on Topics for Talks

LD1701001192 Moscow Radio Rossii Network in Russian 2000 GMT 16 Jan 92

[Text] Tomorrow sees the start of the visit to Moscow by Vytautas Landsbergis, the chairman of the Lithuanian republic's parliament. Our Vilnius correspondent, Svetlana Premudrova has interviewed Mr. Landsbergis.

[Begin recording] [Premudrova] In Moscow you will be meeting with Russian President Boris Yeltsin. What group of questions do you intend to discuss?

[Landsbergis] It will be a working visit. In particular we will discuss economic relations, trade, and the exchange of the production of both countries, since a treaty on this was prepared and initialed in December, but not everything in it is being implemented. There are even disruptions now in January. Disruptions in the resources that are vitally important for the functioning of Lithuanian industry and transport—in the first place energy, on which so much is dependent—may place in question, despite all the good desires on our part, may place in question the fulfillment of certain orders for Russia. We do not want this to appear as some kind of confrontation. I hope we will eliminate these questions.

[Premudrova] Tell me, please, will military issues be mentioned?

[Landsbergis] As a matter of fact possibilities for withdrawing troops from our territory are on the agenda, despite all the difficulties which we know about, and which Russia, is also experiencing. We have several proposals of our own on how to arrange this, without postponing it, and we will discuss it. [end recording]

Collaboration Evidence Said 'Not Falsified'

OW1601223492 Moscow BALTFAX in English 2115 GMT 16 Jan 92

[Transmitted via KYODO]

[Text] The chief investigator at the Lithuanian Prosecutor General's Office, Mr. Kestutis Betingis, has given an interview to the RESPUBLIKA newspaper in which he says that the publications on Mr. Virgilijus Cepaitis' collaboration with the KGB were not falsified, which was why his office refused to institute criminal proceedings against RESPUBLIKA and the MAZOJI LIETUVA weekly.

Last autumn, as reported by BF [BALTFAX] earlier on, the two papers published handwritten reports of Mr. Virgilius Cepaitis, a member of the Lithuanian parliament, to the KGB. On November 16 Mr. Cepaitis demanded that the Prosecutor General's Office either present him with a formal accusation or prosecute the papers.

Mr. Betingis says his office has copies of all the reports published. Mr. Cepaitis has given explanations about them on four occasions. Experts from the legal verification institute have come to the conclusion that all the reports, which were signed Juozas (Mr. Cepaitis' pseudonym), were written by the same person—Mr. Cepaitis.

Mr. Betingis says Mr. Cepaitis' latest report which the Prosecutor General's Office has was written on February 29, 1988, and is entitled "Writers and Perestroyka".

"Cepaitis undoubtedly provided the KGB with information on matters it was interested in," says Mr. Betingis.

He says, however, that his office cannot present Mr. Cepaitis with a formal accusation since the Lithuanian criminal code does not qualify provision of information to the KGB as illegal unless it took place after Lithuania had proclaimed its independence (March 11, 1990—BF).

Prosecutor's Office Investigators Resign

OW1101014592 Moscow BALTFAX in English 2011 GMT 10 Jan 92

[Transmitted via KYODO]

[Text] Three high-ranking officials of the Lithuanian Prosecutor's Office have sent in their resignations to the General Prosecutor of Lithuania. Among them is Juozas Gauditis, chief investigator of the criminal investigation department, who was investigating the Medininkai border post tragedy last summer when seven policemen and customs officers were killed. He also led investigation of the January 1991 events in Vilnius.

Deputy General Prosecutor of Lithuania Gedgaudas Norkunas said "the officials had resigned voluntarily."

Military Units' Power Supply Endangered

LD1601232392 Vilnius Radio Vilnius Network in Lithuanian 1900 GMT 16 Jan 92

[Text] Lithuanian Prime Minister Gediminas Vagnorius today dispatched a telegram to the commander of the Northwestern Army Group, General Valeriy Mironov.

The telegram says: Since Russia's economic departments are failing to ensure the fulfillment of the interstate agreements signed in Moscow on 23 December 1991 on the supply of oil products, gas, metal, and other products; a very difficult situation has been created in the republic's power engineering, industry, and agriculture. Therefore, we inform you, as commander of Russia's military units deployed on the territory of Lithuania, that if Russia does not observe these agreements, the power supply will be reduced to civilian and military units, as well as the supply of products manufactured from imported raw materials.

A similar telegram was dispatched to the commander in chief of the Armed Forces of the Commonwealth of Independent States, Air Force Marshal Yevgeniy Shaposhnikov.

Entry Request Charges Amended

LD1301090192 Vilnius Radio Vilnius in English 2200 GMT 11 Jan 92

[Text] According to a government decree, a decision governing state dues is being partially changed and supplemented. A request to enter and reside in the republic will now cost $200 or another convertible currency according to the dollar exchange rate. This and other supplements and changes comes into effect on 17 January.